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Daily Report

East Asia

**FBIS-EAS-89-026
Thursday
9 February 1989**

Daily Report

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FBIS-EAS-89-026

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9 February 1989

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Japan

Foreign Ministry Assesses PRC-USSR Ties

OW0902131389 Tokyo KYODO in English 1240 GMT
9 Feb 89

[Text] Tokyo, Feb. 9 KYODO—A Japanese Foreign Ministry analyst on Thursday assessed the recent trend of Sino-Soviet rapprochement as "no surprise," but said Japan will carefully scrutinize the visit of Soviet leader Mikhail Gorbachev to Beijing in May for clues to the kind of relationship the two communist giants were moving to establish.

Kenji Tanaka, director of the Foreign Ministry's Analysis Division, told reporters that Japan welcomes upgraded Sino-Soviet ties in general as contributing to stability in the Asia-Pacific region.

"At the same time, we will continue to watch how these relations develop ... With great interest," he said, adding that both Moscow and Beijing have issued repeated assurances that the normalization of ties will not work to the detriment of third countries.

"We would like to take those remarks at face value," Tanaka said.

The analyst saw "no surprise" in the outcome of the recently-concluded Sino-Soviet foreign ministerial talks, the first in 30 years, in which the two sides discussed the Kampuchea conflict, set the date for a summit meeting, and agreed that "a kind of document" would be issued upon its conclusion.

Tanaka attributed the rapprochement to the "general improvement of international relations, particularly relations between the United States and the Soviet Union." He said China viewed as "abnormal" that Sino-Soviet ties should lag behind in the reconciliatory trend.

Tanaka said that ever since Gorbachev came to power, Moscow has moved to dismantle the "three obstacles" that China has said have blocked normalization of ties with the Soviet Union for the past three decades—namely Moscow's support of the Vietnam-backed government in Kampuchea, its "threatening" military posture along the Soviet-China frontier, and the Soviet military presence in Afghanistan.

Tanaka said part of the reason for the drastic improvement in relations in recent years is that both countries "need a peaceful and stable environment in order to push their internal or domestic reform policies."

"Lastly and maybe not least, (Chinese senior leader) Deng Xiaoping has been very eager to establish some sort of normal, stable relations with the Soviet Union while he is still in leadership," the analyst said.

On the possibility that the two communist giants will reestablish party-to-party relations, broken off in the early 1960's over ideological and political differences, Tanaka said, "No Chinese leader has explicitly said that (such) relations would be normalized, but it is our assessment that the Chinese leaders would not object."

"But frankly speaking, the Chinese side may not want to play that up to the public," he said.

In the domestic realm, Beijing does not want to give the impression that all pending problems between the two countries have been satisfactorily resolved, Tanaka said.

In the international sphere, China does not want to alarm other countries, especially those helping it with domestic reforms, after having given assurances that Sino-Soviet relations would not be the same in nature as the monolithic ties of the 1950's, he said.

General Amnesty Announced for 30,000

OW0802125789 Tokyo KYODO in English 0816 GMT
8 Feb 89

[Text] Tokyo, Feb. 8 KYODO—The Japanese Government on Wednesday announced a general amnesty to be granted to about 30,000 people to mark the passing of Emperor Hirohito, who died January 7.

The government also took a decision to restore civil rights to about 10,964,000 people, whose rights had been suspended, chiefly because of traffic accidents, the Justice Ministry said.

Justice Ministry officials said the amnesty and the restoration of civil rights will take effect on February 24, the day of the state funeral for the late Emperor Hirohito, who was given the posthumous title of Emperor Showa on January 31.

Among those who will be granted amnesty, about 10,000 were violators of the Foreign Registration Law, 4,500 violated 15 other laws, and the remaining 15,500 or so had committed minor offenses.

At least 35 foreigners, chiefly Korean residents, currently on trial for violation of the Foreign Registration Law for refusing to be fingerprinted, have declared they will reject amnesty.

The amnesty does not cover those charged with violations of the Public Offices Election Law, the Foreign Exchange Control Law or who have been charged with bribery.

Among such persons is former Prime Minister Kakuei Tanaka who is still on trial in the Supreme Court against a lower court decision sentencing him to four years in prison and fining him 500 million yen.

The general amnesty is the first since 1956 when the government issued a sweeping pardon marking Japan's admission into the United Nations, the officials said.

The restoration of civil rights is the first in 17 years since 1972 when the United States returned the island of Okinawa to Japan.

Justice Ministry officials say amnestied persons would be cleared of criminal charges and convictions records.

Among those who will have their civil rights such as the right to vote restored are 10,820,000 who paid fines for criminal offenses and 144,000 who have been on parole for more than five years.

Of those who paid fines, about 8.5 million did so in connection with violations of the Road Traffic Law and 14,600 others had committed election violations, the officials said.

Several thousand other offenders may be given pardons after the National Offenders Rehabilitation Commission of the Justice Ministry considers the seriousness of their crimes, their willingness to repent, character and other matters.

EC 'To Scrap' Import Quotas on 40 Items
OW0902130689 Tokyo KYODO in English 1139 GMT 9 Feb 89

[Text] Tokyo, Feb. 9 KYODO—The European Community (EC) told Japan Thursday its member countries plan to scrap import quotas on slightly more than 40 Japanese products, including steel and China, Japanese officials said.

The plan was shown on the first day of a two-day working-level meeting on bilateral trade held in Tokyo.

But the Japanese side expressed dissatisfaction with the offer, saying the number of products involved is too few compared with a total of 131 items still subject to import curbs, the officials said.

Japan also complained that the plan does not cover key Japanese products such as motor vehicles and electrical machinery, they said.

Japan will urge the EC to abolish all import quotas maintained by 10 of its 12 member nations on the second day, they added. The two EC members without such restrictions are Britain and Ireland.

Law on Nonnuclear Principles Slated for Diet
OW0802113789 Tokyo KYODO in English 1004 GMT 8 Feb 89

[Text] Tokyo, Feb. 8 KYODO—A committee of parliamentarians and opinion leaders announced plans Wednesday to submit a bill to the Diet making Japan's three "nonnuclear principles" legally binding.

The bill, to be drawn up by the end of March, would make enforceable a Diet resolution banning the manufacture, possession and introduction of nuclear weapons.

The proposed bill would also include punishment for violators, according to Mariko Taniuchi, spokeswoman for the group called the Japan Committee of 22 for Nuclear Disarmament.

Many antinuclear activists believe that U.S. forces visiting or stationed in Japan have brought nuclear weapons onto Japanese territory.

The United States has a policy of neither confirming nor denying the possession of nuclear weapons by its forces overseas, while the Japanese government says that in the absence of any U.S. request for consultations on the matter it assumes the nonnuclear principles are being adhered to.

Upper House Diet member Tokuma Utsunomiya of the Shinsei Club-Zeikinto leads the group, which includes 10 parliamentarians from the ruling Liberal Democratic Party and major opposition parties, the mayors of Hiroshima and Nagasaki, and prominent academics.

The committee plans to host a series of symposiums around the nation later this year to raise public support for the proposed legislation.

MITI Urged To Support Aircraft Development
OW0902051989 Tokyo KYODO in English 0420 GMT 9 Feb 89

[Text] Tokyo, Feb. 9 KYODO—Members of the Society of Japanese Aerospace Companies on Thursday called for the Ministry of International Trade and Industry (MITI) to support development of supersonic aircraft and commuter aircraft.

The call came during talks with MITI Minister Hiroshi Mitsuzuka at a Tokyo hotel, ministry officials said.

Mitsuzuka said the Japanese Government wants to spur development of supersonic aircraft. During a week-long European tour that ended last Sunday, Mitsuzuka called for British and French economic ministers to launch the joint development.

Mitsuzuka said small aircraft will be important to link the mainland to isolated islands and would enable short-distance flights.

Government Predicts 4 Percent Growth

OW0802161689 Tokyo KYODO in English 0717 GMT
8 Feb 89

[Text] Tokyo, Feb. 8 KYODO—The government approved an official economic outlook for fiscal 1989 on Wednesday projecting an inflation-adjusted growth rate of 4.0 percent for the Japanese economy in the year beginning April.

The outlook, approved at an extraordinary cabinet session, incorporated new data on fiscal spending following the January 18 announcement of a government budget for the new fiscal year, officials said.

It called for a 1.3 percent rise in government spending in Fiscal 1989, compared with a 2.2 percent increase in the current year.

Government expenditure will account for only 0.2 percentage points of the targeted 4.0 percent growth, the officials said.

Consumer spending, however, is predicted to grow 2.5 percent and private capital spending 2.0 percent indicating that the Fiscal 1989 growth will be led by private-sector domestic demand expansion.

Nominal national income for fiscal 1989 will grow 5.0 percent from the current year to 303,300 billion yen.

The outlook also made the following projections for Fiscal 1989 based on the principle that "Japan will live in harmony with the world economy":

- Japan will accomplish stable economic expansion led by domestic demand.
- The standard of living of ordinary people will be improved.
- Japan will maintain and support a free trade policy, contributing to stimulation of the world economy.

Bank Governor Predicts Stable Exchange Rates

OW0802155289 Tokyo KYODO in English 0755 GMT
8 Feb 89

[Text] Tokyo, Feb. 8 KYODO—Bank of Japan Governor Satoshi Sumita on Wednesday said the central bank is ready to step into currency markets if exchange rates fluctuate wildly, but since the economic fundamentals of major advanced nations remain unchanged he foresaw stable exchange rates.

Sumita, speaking at a regular press conference, said discussions during a Washington meeting last week of the Group of Seven (G-7) finance ministers and central bankers focused on stability in foreign exchange markets and he denied a report that the G-7 countries agreed current exchange rates are acceptable.

After the G-7 meeting on February 3 the U.S. dollar stayed firm against the Japanese unit at about 129 yen and the Deutsche mark at 1.87 marks.

Sumita said, however, that some G-7 member countries—which he hinted include West Germany—had expressed concern about the present firm tone of the U.S. currency. "The G-7 meeting is for friendly and frank exchanges of views," he said.

Sumita added, "Of course, coordinated moves, reaffirmed by the G-7, comprise central bank intervention into currency markets to secure stability of exchange rates."

The head of the central bank said he does not expect further acceleration of the U.S. economy and he favors its moderate slowdown to reduce inflationary pressure and the twin U.S. deficits—the external and budget deficits.

Sumita had a meeting with his U.S. counterpart, Federal Reserve Board Chairman Alan Greenspan, during a visit to Washington early in February.

On other topics, Sumita said the bank will not change its basic stance in monetary policy but will take "appropriate and timely steps" to prevent possible rekindling of inflation.

Trust Banks To Raise Foreign Investment

OW0802142489 Tokyo KYODO in English 0627 GMT
8 Feb 89

[Text] Tokyo, Feb. 8 KYODO—The Finance Ministry has decided to allow Japan's 7 trust banks and 1 commercial bank to invest up to 5 percent of their trust assets in foreign currency instruments, up from the current 3 percent, banking sources said Wednesday.

The sources said investment in foreign currency assets by the trust banks and Daiwa Bank could increase by about 930 billion yen. At the end of last year, the combined trust assets of the 7 trust banks and Daiwa are estimated to total 46.31 trillion yen.

These financial institutions have been pressuring the Finance Ministry to allow them to increase their trust assets in foreign currency instruments to spread their investment risks, the sources said.

Mongolia

USSR's Rogachev, Not Shevardnadze, To Visit

OW0902113889 Ulaanbaatar International Service
in English 0910 GMT 9 Feb 89

[Text] The Soviet Embassy in Ulaanbaatar on Wednesday [8 February] held a press conference. Speaking there, counselor of the embassy, Omarov announced that owing to pressing business, Soviet Foreign Minister Shevardnadze cannot pay a visit to Ulaanbaatar.

In agreement with the Mongolian Government, Deputy Foreign Minister Rogachev, will come to Mongolia later this week, said Omarov.

At the press conference the first deputy commander of the Soviet troops temporarily stationed in Mongolia, Major General Yurchefrenov [as heard], announced that at present practical issues connected with the withdrawal from Mongolia of a significant contingent of Soviet troops are being studied.

Ulaanbaatar-Saynshand Relay Line Set Up
OW0802062389 Ulaanbaatar International Service
in English 0910 GMT 7 Feb 89

[Text] A 558-km-long radio relay line, linking Mongolia's capital Ulaanbaatar with Saynshand in the south of the country, has become operational. Built with Soviet technical assistance, the new radio relay line, with dozens of receiving and transmitting stations, will now substantially improve the reception of national TV and radio broadcasts and long distance telephone exchanges. Today in Mongolia, such relay lines extend for more than 7,000 km, linking the capital city with settlements in the north and west of the country.

Mongolia's cooperation with the USSR in the sphere of communications has entered the space era. Thanks to joint efforts under the Intersputnik system, fine prospects of developing modern communications means have opened before Mongolia.

Revision of History, Rehabilitation Urged
OW0802113989 Ulaanbaatar NOVOSTI MONGOLII
in Russian 6 Dec 88 P1

["Mongolian History Needs Objective Analysis"—NOVOSTI MONGOLII headline]

[Text] The daily UNEN writes: The need for the development of democracy and glasnost demands that the historical road traversed by the Mongolian people be subjected to an objective analysis, the activities of party and state cadres be correctly assessed, and "blank spots" in the MPR's history be eliminated. The personality cult problem, however, like an enormous boulder, obstructs the road of restructuring and renewal. We must presently tell the people how it happened that the Stalin personality cult crossed state borders and brought about heavy consequences in Mongolia as well. In the MPR, almost total silence has been kept about this. The argument has been suggested that discussion of this topic would represent an attack on the Soviet Union.

The newspaper says: The friendship between the MPR and the USSR is truly full of internationalist content. The credit for its strengthening and development in the course of almost 70 years should be given to V.I. Lenin and the Soviet working people, who lent us a helping

hand, officially recognized our independence, and rendered us help in the rebirth of Mongolia. The peoples of the MPR and the USSR, like brothers, passed all tests.

The newspaper notes that the proposals of the MPRP Central Committee Politburo to the forthcoming plenum indicate that the H. Choybalsan personality cult led to serious breaches of legality. It also speaks about the need to restore the honest names of those who were repressed in the Thirties and the Forties because of false accusations of crimes. A. Amar, former MPR prime minister, was one of these people.

UNEN writes: This man dedicated all his life to his country and people. However, in March 1939 he was accused of engaging in counter-revolutionary activity and arrested. He was charged with participation in a group said to be attempting a coup d'etat. In 1962, A. Amar was rehabilitated. Until now it has not been established where, when, and how this most prominent statesman, who struggled against the spread of Stalinism in Mongolia and the establishment of the H. Choybalsan personality cult, died, UNEN says.

North Korea

Further Report on High-Level Panmunjom Talks
SK0802111789 Pyongyang Domestic Service in Korean
0900 GMT 8 Feb 89

[Text] The first round of the preliminary talks for high-level North-South political and military talks was held in the South's area of Panmunjom today.

As is known, on 7 November last year a joint meeting of the DPRK Central People's Committee, the Supreme People's Assembly Standing Committee, and the State Administration Council discussed peace-guaranteeing measures to promote the independent and peaceful reunification of the fatherland. Those present also formulated a comprehensive peace plan for reducing all existing armed forces on the Korean peninsula in a phased manner and for removing the present state of political and military confrontation between the North and the South, and decided to propose it to the South side and the U.S. Government.

Proceeding from this standpoint, the premier of the DPRK State Administration Council sent a letter to the South side's prime minister on 16 November last year and proposed to hold high-level North-South political and military talks to discuss measures to ease the present state of political and military confrontation.

Today's preliminary meeting for high-level North-South political and military talks was arranged as a result of the South side's acceptance of our proposal.

Countless domestic and foreign reporters came to Panmunjom to cover the status of today's preliminary talks. They hoped that today's hard-won preliminary talks would

reap good fruit. They also hoped that high-level North-South political and military talks, which are led by the premiers of the two sides and include those in substantial military power, would be held at an early date.

Attending the talks from our side were Paek Nam-chun, councillor of the State Administration Council and head of the delegation, and delegates: Choe U-chin, department director of the Foreign Ministry; Kim Yong-chol, deputy department director of the Ministry of the People's Armed Forces; Yu Song-chol, department director of the State Administration Council; and Choe Song-ik, department of the Committee for the Peaceful Reunification of the Fatherland Secretariat.

Also attending the talks from the South side was a 5-man delegation led by Son Han-ho, vice minister of the Unification Board.

At the talks, Paek Nam-chun, head of our side, spoke first.

Saying that removing the state of political confrontation between the North and the South at present is an indispensable matter for seeking national reconciliation and unity and promoting peace in the country and its peaceful reunification. It is also the most pressing task and its accomplishment brooks no delay. Paek Nam-chun, head of our side, noted: This time, the South side, albeit belatedly, has responded to our proposal, and, as a result, preliminary talks to arrange high-level North-South political and military talks are held. This is a good development of the situation.

He said: If those in substantial power in the political and military fields from both sides, who can resolve in a responsible manner the problem of eliminating the state of North-South political and military confrontation by sitting together, this itself would be the first step for national reconciliation. If the two sides turn up to sincerely discuss the problems based on the attitude of mutually understanding and making concessions as the same fellow countrymen, an excellent outcome will undoubtedly be born. Indeed, realizing talks between those in substantial political and military power in the North and the South is an important matter of the nation which brooks not even a moment's delay.

He laid down a 16-item proposal concerning working procedural matters to arrange high-level North-South political and military talks, such as calling the title of high-level North-South talks high-level North-South political and military talks headed by the premiers of the two sides and deciding the agenda item of the talks as being on removing the present state of political and military confrontation between the North and the South.

He stressed: Our side's proposal on the working procedural matters for high-level North-South political and military talks is a fair and reasonable one in which the two sides can reach an agreement for the successful preparations for full-dress talks, as it is based on the

letters exchanged so far between the two premiers and the precedent of the past North-South dialogue. The North and the South should bring the hard-won preliminary talks to success at any cost to open high-level North-South political and military talks headed by the premiers at an early date.

He continued: To this end, first an atmosphere of unity and peace favorable for dialogue should be arranged. The North and the South should refrain from irritating the opposite side and aggravating the situation. Also, they should not do anything that lays obstacles to dialogue by boosting distrust and causing a clash.

Saying that what we would like to stress in this connection is the question of stopping the "Team Spirit-89" joint military exercise, which the South side is staging with the United States while regarding us as an imaginary enemy, head delegate Paek Nam-chun stated: As is known, the U.S. Department of State in early January officially announced that the "Team Spirit" joint military exercise would be carried out as usual this year as well. At the same time, the person in military authority in the South side, only a few days ago—on 1 February, in a so-called special television interview program—said that the "Team Spirit-89" joint military exercise cannot be stopped and disclosed that the military exercise was currently at the deployment stage.

As for the "Team Spirit" joint military exercise, it is not a mere military exercise but a preliminary war to attack the northern half of the Republic. In other words, it is an extremely dangerous factor that causes unrest and can vaporize the result of our dialogue overnight.

It can be imagined how large the "Team Spirit" joint military exercise is, for which 200,000-strong army, air, and naval forces, including U.S. forces, are hurled in, in view of the fact that only less than 100,000 troops are mobilized even for the NATO joint military exercise, which is carried out in Europe with the participation of 15 countries.

The armed forces mobilized for the "Team Spirit" joint military exercise are indeed vast and are more than sufficient to wage a whole war in a small country like ours.

In particular, hurled in for this military exercise are the U.S. Strategic Command, which commands nuclear war as a basic mission; a nuclear war command aircraft; the U.S. Seventh Fleet, which is called a moving nuclear base; B-52 strategic bombers, which are a basic part of the strategic U.S. nuclear force; F-16 and F-15 nuclear fighter-bombers; and Lance missiles. This is a nuclear war exercise which threatens the survival of our nation. Thus, its gravity is crystal-clear without further explanation.

Numerous U.S. combat troops operational equipment, and war materials currently are extensively being moved to, concentrated on, and deployed in South Korea from

the U.S. mainland, Hawaii, Guam, Japan, and other overseas military bases for this extremely dangerous "Team Spirit" joint military exercise.

No one can predict when the "Team Spirit" joint military exercise, which has been increasingly expanded and reinforced, would spread into actual warfare.

If a war breaks out now, it would be a thermonuclear war, the nature of which is entirely different from the Korean war in the fifties. The calamities our nation would suffer in this war would be beyond imagination.

Questioning how, under these circumstances, our dialogue can be guaranteed, and that even if a good agreement is reached at the dialogue, how significant it would be, he continued: As the South side, as well, knows, a North-South joint parliamentary meeting is scheduled between the North and the South. Also, high-level North-South political and military talks, student talks, sports talks, and other multichannel talks are currently on the schedule. Thus, the overall situation is favorably moving toward detente and dialogue.

It is precisely under these circumstances that the South side, along with the United States, has persisted in kicking off the "Team Spirit-89" joint military exercise to attack us. This is an adverse tide against North-South dialogue that shows an auspicious sign.

Amid the situation in which the enormous armed forces are storming in to attack us in the skies and on land and sea, how can we sit face to face and hold trustworthy dialogue?

If one side, while holding dialogue with a smiling face on the scene, commits a military act of attacking the other side behind the scenes, dialogue itself would become meaningless. This is a serious lesson which has been left by the past North-South dialogue.

Calling to mind the fact that at the seventh-round session for lawmakers from the two sides for a North-South joint parliamentary meeting late last year, our side urged the discontinuation of the "Team Spirit-89" joint military exercise in order to smoothly hold North-South dialogue in various areas, including a North-South joint parliamentary meeting. We also called for making progress in the dialogue in the new year, and early this year our side proposed that the South side obviously express at least the attitude of not waging the "Team Spirit" joint military exercise this year as a measure to remove the state of political and military confrontation between the North and the South. In the letter dated 16 January from our premier of the State Administration Council to the South side, our side asked the South side's authorities to take appropriate measures not to conduct the "Team Spirit-89" joint military exercise this year. The premier said: If the South side were interested even a little in

detente on the Korean peninsula, dialogue, and reunification, it should have taken the sincere measure of stopping the "Team Spirit-89" joint military exercise, which lays an obstacle to dialogue, in response to our side's repeated demands.

In contrast to our sincere efforts to ease tension, the South side is pushing ahead with the "Team Spirit-89" joint military exercise along with the United States. This only shows that the South side views the war exercise with foreign forces as more important than peace negotiations with fellow countrymen and that it is interested not in reconciliation, peace, and reunification, but still in confrontation.

He continued: The "Team Spirit" joint military exercise does not benefit the North and the South nor is it good for the United States. In the current situation, the United States and the South side should now change their policy of confrontation into that of reconciliation, and it is time for them to stop the "Team Spirit" joint military exercise.

He demanded that the South side immediately stop the "Team Spirit-89" joint military exercise in keeping with our patient efforts for peace and with the tenor of the times, thus showing a shift in its policy with action.

He said: Today at these talks, we formally demand that the South side unconditionally stop the "Team Spirit-89" joint military exercise, which strains the situation on the Korean peninsula to an extreme point; aggravating misunderstanding, distrust, and confrontation between the North and the South; and blocks the path toward peaceful reunification.

Paek Nam-chun, head of our side's delegation, said: What I want to point out next in connection with atmosphere of dialogue is that your side has recently blocked press activities which introduce the current reality of the North.

He continued: To promote national reconciliation and unity and deepen trust, the North and the South should be correctly aware of and understand the realities of the other side. Recently, the South side's authorities have talked about the consciousness of national community on more than a few occasions and about opening the realities of the North to the public.

Regrettably, however, the South side's authorities in actual practice have openly oppressed the desire of the South Korean people to perceive the current realities of the North.

Some time ago, they confiscated many books and arrested those involved in their publication on charges of publishing and circulating those books concerning the North.

This is not in keeping with the trend of the present situation moving toward detente and also runs counter to the South side's remarks. We consider that this is not a correct attitude toward the other side of dialogue nor is it just from a national standpoint.

Proceeding from the past anachronistic concept of confrontation, the South side's indiscriminate confiscation of books that introduce the realities of the North cannot but be an act of running counter to the aspirations of all fellow countrymen for national reconciliation and unity and of having no good consequences on smoothly holding North-South dialogue in an atmosphere of reconciliation.

As a partner of dialogue, we consider that the South side stop at once the unjust acts of confiscating publications introducing the northern half, stopping printing them, and carrying away those involved in the publication.

He stressed: The above noted demands of our side proceed from our sincere aspirations to make progress in the preliminary talks, realize high-level North-South political and military talks led by premiers at any cost, and spare and save scheduled North-South dialogue in various channels.

He expressed his expectation that the South side will contemplate these demands of our side and correctly deal with them from the standpoint of reconciliation and unity.

The head of the South side spoke next and made such remarks as justifying his side while avoiding responsibility, instead of accepting with goodwill the fact that the head of our side raised the question of stopping the "Team Spirit-89" joint military exercise and the question of discontinuing the repression of the publication of books which introduce the northern half of the republic.

In connection with matters concerning the working procedures for full-dress talks, he proposed to call talks between those in high authority in the North and the South or North-South premier-level talks and raised as agenda items of the talks the questions of stopping slander—which our side had already proposed, of mutual respect and noninterference, of building military trust, of realizing multifaceted exchange and cooperation, and of holding North-South summit talks.

The head of our side demanded that, because the two sides have finished their keynote speeches, the question of stopping the "Team Spirit" joint military exercise, the settlement of which first priority should be given to at present, be discussed first at today's preliminary talks for high-level North-South political and military talks.

In this connection, the head of the South side said that the question of the "Team Spirit" joint military exercise is separate from the question of North-South talks and desperately objected to the question and avoided discussing it.

Saying that an atmosphere of dialogue should be created first to realize dialogue, the head of our side stressed: To this end, we should take the stand of mutual reconciliation and unity. Stopping the "Team Spirit-89" joint military exercise, a war exercise against us, is a pressing task.

He continued: The reason we propose to discuss the question of stopping the "Team Spirit-89" joint military exercise first is because only when it is solved can the preliminary talks themselves be saved and high-level North-South political and military talks be arranged at an early date.

He further said: Another reason for discussing first at the talks the question of stopping the "Team Spirit-89" joint military exercise is that it is urgently necessary to realize scheduled North-South dialogue in other fields and make progress in it.

He continued: The grounds for discussing first at the talks the question of stopping the "Team Spirit-89" joint military exercise is found in that only then can a new war be averted in our country and the country and the nation be saved from the calamities of war.

He laid bare: The large-scale "Team Spirit-89" joint military exercise against us is a very dangerous test nuclear war and preliminary war which can drive the Korean peninsula into the flames of nuclear war.

He stressed: Because we cannot even discuss the word dialogue after the outbreak of war in our country, we should first discuss and solve the question of preventing the calamities of war.

However, at any rate, the South side tried to continuously justify its unjust stance, saying that the "Team Spirit" joint military exercise is annual and defensive.

In answer to this, our side noted that the "Team Spirit" joint military exercise is not a defensive exercise but a dangerous war exercise of a thoroughly offensive nature which is conducted according to the U.S. Asian-Pacific strategy and stated that this is shown by the fact that the basic contents of this exercise consist of ground offensive operations combining a nuclear strike, landing operations from the sea, the commando operation, the airborne ground combat operation, and the operation of striking deep into the other side with an air corps.

The head of our delegation said that if the South side truly has the intention of reconciling engaging in dialogue with us, it should not have any difficulty in uttering the five letters of the expression "We will stop it [chung chi ha get ta]" and demanded that it utter the five letters in the first place.

Mentioning the fact that the South side invited us to observe while conducting the "Team Spirit" joint military exercise, which is aimed at attacking us, he said that this is a mockery and defilement of us and stressed that

this is nothing short of asking us to see it attack us. He questioned how we can accept this as a proposal to reconcile and unite with us if it reaches out one hand to shake hands with us while in the other hand holding a gun aimed at us.

The South side, unable to find words to reply to this, made excuses, saying that so long as there is an army, exercise is unavoidable. At this, the head of our delegation questioned why it should bring in the army of foreign forces while it can conduct an exercise with the South Korean Army by itself, and continued to press, saying: Are you not prepared now to exclude the foreign army in the military exercise, to reduce the scale of the military exercise, and to change the name of the exercise itself?

The South side was unable to reply to this, either.

The delegates of our side stressed that from the standpoint of the nation as well, the "Team Spirit" joint military exercise is a shame which the South side conducts with a foreign army and that it hurts the dignity of the nation.

The South side, unable to excuse itself any longer in the face of our reasonable logic and dignified assertions, raved about the nonexistent threat of southward invasion, thereby adversely affecting the atmosphere of the meeting place.

The head of our delegation reminded the South side of the fact that we have repeatedly made it clear that we have no intention of invading the South and that we have taken several unilateral steps of reducing the armed forces, thus rejecting the South side's unjust allegation.

He also noted that the South side is engaging in false propaganda even in the meeting place in Panmunjom, mentioning an exchange of goods, and said that such an act cannot be understood other than that they are seeking other political purposes. Then he again urged the South side to declare that they will suspend the "Team Spirit-89" joint military exercise. Our side demanded that, under the condition in which the South side persistently avoids the answer, it go back, discuss, and give an obvious answer next time.

After all, no progress was made in today's talks because of the South side's insincere stand and attitude.

Both sides agreed to hold the next round of preliminary talks at the Tongilgak in our side on 2 March.

After the preliminary talks, Paek Nam-chun, the head of our delegation, held a news conference with domestic and foreign reporters.

KCNA Sums Up Preliminary Talks

SK0802231389 Pyongyang KCNA in English 2234 GMT
8 Feb 89

[Text] Panmunjom February 8 (KCNA)—The first round of preliminary talks for North-South high-level political and military talks were held today in the area of the South side of Panmunjom.

Attending the talks on our side were head of the delegation Paek Nam-chun, councillor of the Administration Council, and delegates Choe U-chun, director of a department of the Foreign Ministry; Kim Yong-chol, deputy director of a department of the Ministry of People's Armed Forces; Yu Song-chol, director of a department of the Administration Council; Choe Song-ik, director of a department of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland, and on the South side were five delegates with Son Han-ho, "vice-minister of the unification board," as the chief delegate.

Head of our side's delegation Paek Nam-chun was the first to address the talks.

He said that it is a crucial matter of the nation which brooks not a moment's delay to realise talks of persons in political and military authority of the North and the South.

He made a 16-point overture on working procedures for the arrangement of the North-South high-level political and military talks such as naming the North-South high-level political and military talks between the two sides headed by their premiers and formulating the agenda of the talks as "on removing the present political and military confrontation between the North and the South."

He stressed that our side's proposal on the working procedures for North-South high-level political and military talks is a fair and reasonable one on which the two sides can reach an agreement for the successful preparation of full-dress talks, as it is based on the letters exchanged so far between the two premiers and the precedent of the past North-South dialogues.

Saying that the North-South high-level political and military talks must be brought to realisation at an early date, he stressed: To this end, first of all, an atmosphere of unity favorable to dialogue, a climate of peace, must be created.

Noting that the South side has launched with the United States the "Team Spirit 89" joint military exercises for attacking the North at a time when the situation in general is favorably heading for detente and dialogue, with multi-channelled talks between the North and the South on the order of the day, he said this cannot but be a current against the North-South dialogue which is showing a good sign.

He said:

The South side should immediately stop the "Team Spirit 89" joint military maneuvers in keeping with our patient efforts for peace and with the trend of the times and thus show indeed they have made a switchover in their policy.

In this regard, we strongly urge the South side once again to unconditionally stop the "Team Spirit 89" which is pushing the situation on the Korean peninsula to an extreme pitch of strain, inciting misunderstanding, distrust and confrontation between the North and the South and laying a stumbling block in the way of peaceful reunification.

As to the atmosphere of dialogue the head of our side said the South side these days is obstructing the dissemination of publications introducing the reality of the North as it is. As the dialogue partner, he went on, we consider that the South side should immediately cease from their unreasonable acts of seizing publications on the northern half of Korea and banning their printing and whisking away those who are involved in them.

The chief delegate of the South side, who spoke next, shirked his responsibility instead of approaching in good faith the questions raised by our side as to the discontinuation of the "Team Spirit 89" joint military maneuvers and a halt to crackdown on the publication of books on the northern half of Korea.

As regards the question of working procedures of the full-dress talks, he came up with a proposal to name the talks "talks between high-level authorities of the North and the South" or "talks between the premiers of the North and the South" and raised as items on the agenda the problems of "mutual respect and non-interference," "building up of military trust," "enforcement of multifaceted exchange and cooperation" and "opening of North-South summit talks" as well as the problem of ceasing to hurl slanders and abuses against each other, a problem which we had already raised.

The South side tried continually to justify their unwarrantable stand at any cost, claiming that the "Team Spirit" is an "annual" and "defensive" one.

Our side said that the "Team Spirit" joint military manoeuvres are not a rehearsal of defensive nature, but a dangerous war game of offensive nature, to all intents and purposes, which are staged in accordance with the U.S. Asian-Pacific strategy and this is proved by the fact that the keynote of the manoeuvres is ground attack operation combined with a nuclear strike, maritime landing operation, commando operation, paratrooping operation and in-depth strike by air formations.

Stuck dumb, the South side contended that as long as there were troops their drill was "inevitable".

Refuting this, the head of our side's delegation asked, if they had to stage an exercise why they brought in foreign troops, not holding it with the South Korean Army alone. And he also questioned the South side if it had any willingness not to draw foreign troops into the military exercise and to cut its scale and change the name of it.

Unable to excuse itself in face of the reasonable logic and well-founded assertion of our side, the South side spoiled the atmosphere of the conference hall, bringing forward even the fiction of "threat of Southward invasion."

Paek Nam-chun rebutted the unreasonable assertion of the South side, recalling that the North had declared more than once it would not "invade the South" and that it had unilaterally cut back its Armed Forces on several occasions.

Pointing out that the South side is making a false propaganda about "exchange" of commodities and the like even at the Pammunjom conference room, he said such act cannot be construed otherwise than seeking a sinister political aim.

The meeting ended with no progress due to the insincere position and attitude of the South side.

It was agreed that the next round of preliminary talks would be held at the "Tongilgak" House in our portion on March 2.

At the end of the talks, head of our side Paek Nam-chun met with home and foreign reporters.

Two Koreas 'Scheme' Not To Be Tolerated
SK0402041589 Pyongyang Domestic Service in Korean
2118 GMT 31 Jan 89

[NODONG SINMUN 1 February special article: "Under No Circumstances Should the Fabrication of Two Koreas be Tolerated"]

[Text] The great leader Comrade Kim Il-song has taught: Under no circumstances should we tolerate such foolish things as allowing outside forces to trifle with the national fate of our country which is divided in half.

The great leader Comrade Kim Il-song's teachings reflect the unanimous will and aspirations of our party and the entire Korean people who are determined not to allow the perpetuation of national division and achieve national reunification at any cost. They also elucidate the programmatic guidelines that our people should firmly adhere to in the course of implementing the cause of national reunification.

The scheme of the splittists within and without, including the U.S. imperialists, to fabricate two Koreas is the fundamental obstacle that stands in the way of the independent and peaceful reunification of our country as well as the basic element that threatens the future of our people. The

scheme to fabricate two Koreas is a product of an international conspiracy among the United States, Japan, and South Korea to use South Korea as an aggressive military base and as a bulwark against communism.

By perpetuating the division of Korea, the United States is bent on keeping South Korea as a frontline base to mount a nuclear strike against our Republic and other socialist countries and a support point for an anti-socialist reactionary offensive. In the meantime, the Japanese reactionaries are engrossed in realizing U.S.-Japanese joint domination over South Korea and in using it as a stepping stone for Japan's militarist expansionist policy through perpetuating Korea's division.

At the same time, the traitorous and treacherous clique in South Korea, making nothing of a permanent division of the nation, has not only put half of the country under the domination of outside forces, but is also trying to maintain its filthy power longer under the bayonet-backed protection of the outside forces.

Today, the splittists' scheme to fabricate two Koreas is being carried out more craftily, persistently, and wickedly than before. This can be detected primarily in the game of playing with cross-contacts and cross-recognition that is getting more undisguised by the day. The U.S. and Japanese reactionaries and the South Korean puppets, while paying lip service to the sophistry called recognition of the realities, are imbued with perpetuating the division of Korea and realizing a permanent U.S.-Japanese condominium over South Korea by making South Korea appear as if it were an independent entity and thereby fabricating two Koreas through an arrangement of making the socialist countries recognize and establish relations with the South Korean puppet clique in exchange for the capitalist countries' recognition and establishment of relations with our Republic.

Motivated by such an objective, they had Seoul unilaterally host the 24th Olympic games and made the games serve as an important opportunity for realizing contacts and exchanges between the South Korean puppets and the socialist countries. They are now employing all manner of tricks in a bid to translate this even into the establishment of diplomatic ties by accelerating such contacts and exchanges in the economic, cultural, sports, academic, and humanitarian fields. For this purpose, the United States is now actively encouraging the puppet clique in the so-called northward policy. In the meantime, Japan is now running riot to play the role of a mediator.

Under their masters' wire-pulling, the South Korean puppets went so far as to strike some of the socialist countries off the list of antistate organizations which they had earlier introduced into the National Security Law. In this way, the splittists within and without are now trying to pave the way for cross-contacts and cross-recognition only for a single party in those cross-contacts and cross-recognition.

At the same time, the United States and Japan are now leaving no stone unturned in paving the way for cross-contacts and cross-recognition for the other party. One of their tricks in this vein is the double-faced trick concerning their relations with us. The U.S. and Japanese reactionaries are putting political, economic, and military pressure on us and taking pains in a bid to draw us into their strategic ploy of improving relations with us, while devoting themselves to some wicked anti-Republic and anticommunist propaganda. This finds its expression in Japan's winking at us and babbling about detente and improved relations with us under U.S. control, going so far as to lift its hostile, provocative, and tyrannical sanctions against us which it had kept in place up until recently.

It is obvious to everyone that the essential nature of their maneuvers lies in providing an atmosphere and conditions favorable to cross-contacts and cross-recognition, not in genuinely improving relations. This is why they are feverishly running riot to shore up support for the South Korean puppet traitor's so-called proposal for six-party negotiations in a bid to make a success of it under the pretext of working for peace and easing tensions.

The proposal for six-party negotiations is nothing but a crafty plot designed to make one party to the cross-contacts and cross-recognition plan sit together with the other party and turn it into something permanent and by making it translate itself into cross-recognition, eventually promoting the fabrication of two Koreas.

What is more, the insidiously splittist objective sought behind the plot has been laid bare in full view by the fact that Japan, which is not qualified at all to intervene in Korean affairs, is not only babbling about the negotiations among six parties, including itself, in a bid to poke its nose into the cross-contact and cross-recognition plan, but it has also proclaimed itself to be an active advocate of the plot.

In addition, the United States and Japan call for North-South dialogue to take precedence over cross-contacts and cross-recognition as one of important tricks in promoting cross-contacts. They wickedly seek to fabricate two Koreas in the end by delaying indefinitely the settlement of the Korean question through this trick. Toward this end, the U.S. and Japanese reactionaries are now strengthening in all directions their political, military, and economic assistance to the South Korean puppets, while scheming to beautify traitor No Tae-u, the imperialists' errand boy, as an advocate of reunification. In the meantime, the persons in authority in South Korea have announced the so-called idea of it being too early to achieve reunification, with a view toward drawing dialogue into an endlessly vicious cycle, arguing that it is still too early to reunify the country.

The ultimate goal sought by those who call for North-South dialogue to be put ahead of everything else is to spare the United States the responsibility for the settlement of issues by avoiding indefinitely the DPRK-U.S. talks between us and the United States, the responsible parties to the settlement of the Korean question, and the tripartite talks to be attended even by the persons in authority in South Korea.

In this way, they are trying to make it impossible to settle the principled and pressing issues for peace in Korea and its peaceful reunification such as the withdrawal of U.S. forces and nuclear weapons stationed in South Korea, the reduction of military forces in the North and South, the signing of a peace treaty between Korea and the United States, and the adoption of a declaration of nonaggression between the North and South, while scheming to perpetuate the division of Korea and maintaining the Korea peninsula as a venue of confrontation.

To back the policy of two Koreas militarily, the splittists within and without persistently scheme to keep the U.S. forces stationed in South Korea under the pretext of security being a priority.

The U.S. secretary of state has stated recently that the United States has no plans for either the reduction or withdrawal of U.S. troops at present, while babbling about the threat posed by somebody else. Puppet No Tae-u noisily clamored that it is still too early to withdraw U.S. troops. Also, the Japanese reactionaries have repeatedly babbled that U.S. troops stationed in South Korea should stay.

The goal behind their outrageous language is to block the peaceful reunification of Korea through the occupation of South Korea by the U.S. troops, to keep the Korean people suffering from national division, and to guarantee the maneuvers for fabricating two Koreas, including a plan for cross-contacts and cross-recognition, and to do all this by forcible military means.

In addition, they are bent on keeping U.S. troops stationed in South Korea and on keeping South Korea indefinitely as a frontline nuclear strike base from which to execute U.S. strategy toward Asia and the Pacific and its global strategy and as a bulwark against communism.

The game of playing with the idea of cross-recognition, a criminal act of seeking the perpetual division of Korea, is the key to the imperialists' reactionary antisocialist offensive. It is also a wicked strategy aimed at weakening the East guardpost of socialism.

If and when Korea were to remain divided permanently as a result of the plot to fabricate two Koreas, South Korea would remain forever under the condominium of the United States and Japan and the Korean people would have no choice but to be trifled with by the outside forces.

Clearly, the Korean peninsula will continue to be a victim to the outside forces' confrontational policy as long as the imperialist forces remain in South Korea. Division is destined to become a source of confrontation and war.

Korea's division could lead to the outbreak of another war of aggression by imperialist forces on the Korean peninsula. Under no circumstances will our people tolerate such a foolish act as allowing the country and the people to be divided into two Koreas and thereby profiting the imperialists only.

Confrontation surrounding the question of national reunification is the confrontation between the reunification and splittist lines, between the lines of peace and those of war, and between the lines of patriotism and those of aggression and treason.

Our people and the Republic's government are now engaged in a positive struggle to crush the maneuvers of the splittists' policy of two Koreas, to keep the country from being divided permanently, and to achieve the independent and peaceful reunification of the country.

Even the struggle of the people of all walks of life in South Korea for independence, democracy, and reunification is expanding and developing by the day.

The people of the world oppose the reactionaries' maneuvers to fabricate two Koreas and unanimously demand the withdrawal of U.S. troops from South Korea and the independent and peaceful reunification of Korea.

The United States should look squarely at the realities, change its policy toward Korea, and respond to our proposal for tripartite talks after abandoning its maneuvers to fabricate two Koreas.

Only shame and bankruptcy are in store for those who persistently pursue a two Koreas policy.

End to Political, Military Confrontation Urged
SK0802101489 Pyongyang KCNA in English GMT
8 Feb 89

[Text] Pyongyang February 8 (KCNA)—NODONG SINMUN Wednesday comes out with a signed article titled "Removal of Political and Military Confrontation Is National Task To Be Carried Out Before Anything Else", which says in part:

The great leader Comrade Kim Il-song has taught:

"Before anything else, the North and the South should make a breakthrough for mutual trust and unity as early as possible by taking an effective measure for the removal of political and military confrontation."

To remove political and military confrontation between the North and the South and guarantee a durable peace on the Korean peninsula is a national task which the North and the South should give top priority to and jointly carry out at present.

We must remove political and military confrontation and dispel the danger of war which lead the nation to disaster and create a firm precondition for peaceful reunification at an early date. To this end, we must refrain from exciting the nerves of the other side and aggravating the situation and boldly get rid of all factors which may breed distrust and give rise to conflicts. In order to solve the problem of removing the present political and military confrontation between the North and the South, a North-South high-level political and military talks must be convened at an early date.

If North-South high-level political and military talks are arranged and promoted successfully, it will exert a positive influence upon promoting parliamentary talks and continuing many-channelled dialogues including economic talks and Red Cross talks and the two sides will arrange top-level talks in a good atmosphere.

If the U.S. imperialists and the South Korean puppets are interested even a little in the relaxation of tensions on the Korean peninsula, they should, at least, clearly express their will not to stage the "Team Spirit" joint military exercises this year, in response to our sincere efforts for peace.

Noting that dialogue is for peace and military rehearsal for war, the article stresses:

The U.S. imperialists should discontinue their acts of instigating the puppets to confrontation and war and aggravating tensions by staging such large-scale military exercises as "Team Spirit" in actuality, while talking that they want peace in Korea and North-South dialogue.

If the South Korean puppets are interested in North-South dialogue, they should extricate themselves out of dependence on foreign forces and discontinue at once the provocative "Team Spirit 89" joint military maneuvers they are staging together with the U.S. imperialists, and refrain from laying hurdles in the way of dialogue.

People in South Continue Struggle Against Regime
SK0802054289 Pyongyang KCNA in English 0517 GMT 8 Feb 89

[Text] Pyongyang February 8 (KCNA)—Broad sections of people in South Korea including workers, peasants and students are going ahead with the anti-"government" struggle, according to a report.

More than 80 workers of the Taeya Trade Co. and the Samgong Electronics Co. who occupied the Taegu district office of the puppet Labour Ministry and went on a sit-in strike, held an all-night sit-in for three consecutive

days till February 5 demanding freedom of trade union activity, the withdrawal of camouflaged shutdown and the reinstatement of unreasonably dismissed workers.

The Roman Catholic peasants association of South Korea issued a statement on January 18 denouncing the No Tae-u military fascist clique for frantically cracking down upon people by mobilizing the police.

The "National Alliance of Movement for the Nation and Democracy" ("Chonminnyon") issued a statement on January 26 supporting the struggle of the teachers who were staging a sit-in in demand of the reinstatement of unreasonably dismissed fellow teachers.

On the same day, the council of professors at Chonju University in North Cholla Province, in a statement rejecting the step of appointing a venal professor as university president which was taken by the fascist clique and the foundation side, declared that they would fight on by "all methods" till a person chosen directly by the council of professors has been appointed president of the university.

Journalists and editors of the magazine WOLGAN KYONGHYANG staged a sit-in on January 23 in protest against the fascist clique's step of suspension.

Saying the "step of suspension virtually means a matter-of-fact shutdown and the reason for it is the progressive nature of the magazine," they condemned this as a suppression and strongly demanded the "withdrawal of this step."

A group of bereaved families staged a sit-in at the Christian Hall in Seoul for 100 odd days till the end of January, protesting the fascist clique's suppression.

The society of the wounded in the May 18 Kwangju resistance issued a statement on January 21 denouncing the No Tae-u fascist clique's criminal scheme to bury in the dark the truth behind the Kwangju incident.

The statement urged the puppet authorities to register as victims all of the wounded who were excluded from the list of victims and take steps to compensate them, and strongly demanded that "the No Tae-u 'regime' resign."

South Lawyers Lay Bare Human Rights Abuses
SK0902150989 Pyongyang KCNA in English 1500 GMT 9 Feb 89

[Text] Pyongyang February 9 (KCNA)—The Human Rights Committee of the Lawyers Association in South Korea announced the "1987-88 Report on Human Rights" on February 1 and exposed the ceaseless violation of human rights by the fascist clique, according to a report.

The report said that although the traitor No Tae-u clamoured about "democratisation" in his so-called "June 29 Declaration", there is no "improvement" in the question of human rights.

The report further said:

The illegal checkup, forcible walking to the police, illegal house arrest, illegal arrest and detention and summary trial are prevalent and the violation of human rights such as tear-gas attack and suppression of families of those on the want list remains unchanged.

In particular, as the labour union movement has become brisk, the company management frequently mobilised the "company-saving corps" to crack down upon workers and committed unwarrantable acts against workers through camouflaged closure and camouflaged suspension. Worse still, evil cycles are being repeated by means of suppressing and totally blocking the struggle of the peasants and poor urban dweller, for the rights to existence, detaining and whisking away them to the police en masse.

Lawyers in South Protest Suppression

SK0902103089 *Pyongyang KCNA in English* 1022 GMT
9 Feb 89

[Text] *Pyongyang* February 9 (KCNA)—The South Korean Lawyers Association and the Lawyers Assembly for Democratic Society, dissident law organisations in South Korea, called for the dissolution of the puppet Security Planning Board through their respective documents, according to a report.

They said the puppet Security Planning Board was framed up illegally and charged that the fascist clique was using it as a tool for abuse of power and for political purpose.

Denouncing the criminal attempt of the fascist clique to maintain the security of the "regime" with power, they repeatedly demanded that the "Security Planning Board" be dissolved at once.

The political alliance for founding a progressive party released a statement on January 27 in protest against the fascist clique's suppression of the trainees of the "independence school for high school students" which opened at Yonsei University.

The statement urged the fascist clique to punish the policemen who illegally walked away trainees for investigation and make an official apology for the reckless suppression.

On the same day, the "youth school" financed by the Youth Alliance for Democratic Movement released a statement strongly demanding of the puppet clique an apology.

Trade union members of the Angang factory under the Pungsan Metal in Wolsong, North Kyongsang Province, who were on a hunger strike in prison in protest against the issue of "call-up papers" by the fascist clique, were continuing their struggle on February 7, determined to struggle until the "call-up papers" and group dismissal by the management would have been withdrawn.

A few days ago, trade union members of the Pusan subway company sent to the traffic company management a 15-point demand concerning the vital rights including a 12 percent increase of wages above the present level. When their demand was refused, they answered it with a general traffic suspension on February 8.

South Youth Council Denounces Newspaper

SK0902104189 *Pyongyang KCNA in English* 1033 GMT
9 Feb 89

["Anti-Communist Trickster Paper "SEGYE ILBO" Rejected by South Korean Christian Youth Council"—KCNA headline]

[Text] *Pyongyang* February 9 (KCNA)—The South Korean Christian Youth Council January 31 made public a statement denouncing the "Unification Church," an anti-communist plot-breeding organization, for publishing the trickster paper "SEGYE ILBO," according to a report.

The statement said that the Mun Son-myong group, an international anti-communist terrorist group and a hostile force against Christianity, is deepening North-South confrontation on the forefront of anti-communism and fostering division and, furthermore, founded "SEGYE ILBO" to infiltrate into the press.

The statement demanded that the "Unification Church" give up its schemes to use "SEGYE ILBO" as a "tool for national division and for the defence of the dictatorial system."

Party Meets To Ensure Successful Festival

SK0702234189 *Pyongyang KCNA in English* 1540 GMT
7 Feb 89

[Text] *Pyongyang* February 7 (KCNA)—A *Pyongyang* mass meeting took place today at the February 8 House of Culture to carry through the decision of the party Central Committee on successfully ensuring the world festival of youth and students.

Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief secretary of the *Pyongyang* Municipal Party Committee and chairman of the *Pyongyang* Municipal People's Committee, made a report at the meeting.

The reporter stressed that to prepare well the world festival of youth and students is a responsible and honorable work to demonstrate to the full the might of our people united with a single heart around the great

leader and the party, the true advantages of our socialist system and noble ideological and moral traits of our people and youth and students.

He said that today we are confronted with the task to dynamically push ahead with the work of building up Pyongyang into a more clean and cultured city befitting the festival, and called for completing at an early date the construction of Kwangbok street and structures for the festival which has entered the final stage, and building the sites of the festival functions with greater care.

He said it is an important task in successfully ensuring the Pyongyang festival for all citizens to prepare themselves politically and ideologically while building up Pyongyang, the capital of revolution, grandly and beautifully.

He called on all people to creditably implement the decision of the party Central Committee on successfully ensuring the 13th World Festival of Youth and Students and powerfully demonstrate once again all over the world the might of our party and people united with a single heart around the Central Committee of the Workers' Party of Korea headed by respected Comrade Kim Il-song and the honor of the homeland of Chuche with the Pyongyang festival as an occasion.

The report was followed by speeches.

A resolution was adopted at the rally.

Nungrado Stadium Said Near Completion

SK0802230289 *Pyongyang KCNA in English 1502 GMT 8 Feb 89*

[Text] Pyongyang February 8 (KCNA)—The makeshift sheds are being removed from the surroundings of the Nungrado Stadium standing in the middle of the river Taedong flowing through Pyongyang, the festival city.

This indicates that the construction of the 150,000-seat stadium where the opening and closing ceremonies of the 13th World Festival of Youth and Students will be held has been completed in the main.

The project started in July 1986.

Now more than 97 percent of the total building programme has been finished.

The total floor space of the stadium is 207,000 square metres.

A colossal amount of materials and equipment were thrown into the project including over 100,000 tons of cement, 30,000 tons of rolled steel and 90,000 square metres of high-grade stones.

A brilliant embodiment of the architectural aesthetic idea of our party, the stadium is flawless for a stadium of international standard.

The floor of the stadium extending 22,300 square metres has a race course 10 metres wide and 400 metres long and a football ground where natural turf has been growing for two years.

The night illuminance of the ground is 1,500-2,000 luxes.

Outside the stadium, one auxiliary stadium of the same standard with the main stadium and three soccer drill grounds are being constructed simultaneously.

The two-storeyed stands have 90 tiers. There are nearly 80 exits and tens of escalators.

Beneath the stands lie seven-storied structures of over 800 rooms, which are available for the convenience of players and spectators and for the management of the stadium.

There are also drill halls, physical training rooms, rest rooms for players who participate in table tennis, boxing, weightlifting, badminton, athlete [as received] and other events and a sports science study room. The indoor track for the athletes stretches nearly 900 metres in length.

Available are latest telecommunication, broadcasting, and indoor tv facilities and stores, restaurants and other public service rooms.

The visitors are struck with wonders at the beautiful and peculiar architectural style with no parallel in the world.

The 90,000-square metre roof of the stadium is the shape of a fully spread parachute.

The shades of the roof covering the stands down to their fringes are 60 metres long inside and 40 metres outside. It is conspicuous for its curved lines of rainbow shape.

The height from the bottom of the stadium to the shades is more than 60 meters.

The building method of the parachute-style roof of the Nungrado Stadium was awarded the gold-silver medal at the 16th International Exhibition of Inventions and New Techniques held in Geneva in April last year. The international interest in the designing and building method of the stadium is very high. The stadium was designed by the designing collective of the Pyongyang City Designing Office.

The project has been carried out by the powerful construction team which had creditably built such monumental edifices as the Kim Il-song stadium, the arch of triumph and the tower of the Chuche idea.

Dear Comrade Kim Chong-il initiated the construction of the Nungrado Stadium, chose its building site and examined the design and wisely directed the work to erect it into a monumental architecture.

He visited the construction site on several occasions to acquaint himself with the progress of the construction and encourage the builders and took one measure after another for a fast progress of the project.

South Korea

Pak Chun-kyu To Meet Gorbachev in Late March
SK0902050489 Seoul YONHAP in English 0455 GMT
9 Feb 89

[Text] Seoul, Feb. 9 (OANA-YONHAP)—The chairman of South Korea's ruling party will meet Soviet President Mikhail S. Gorbachev in Moscow in late March, a party official announced Thursday.

Pak Chun-kyu was invited by a central government organization in charge of the nation's economic policies to meet high ranking officials, the official said.

Pak will explain South Korean policies toward communist countries, including North Korea, and plans to visit Leningrad and Vladivostok during his two-week stay.

On his way home, Pak will meet officials in Washington to discuss Korea-U.S. relations.

Aeroflot Prepares To Start Flights to Seoul
SK0902014689 Seoul THE KOREA HERALD
in English 9 Feb 89 p 1

[Excerpt] MOSCOW (AFP)—The Soviet airline Aeroflot is preparing to start flights to the south Korean capital Seoul, Soviet Deputy Civil Aviation Minister Boris Panyukov said Wednesday.

Panyukov said the Soviet Union had signed agreements with China to allow Aeroflot to fly through Chinese airspace on flights between Moscow and Seoul, with a stopover in the southern Chinese city of Shanghai.

The decision follows the recent normalisation of economic ties between the Soviet Union and south Korea. [passage omitted]

U.S.-North 'Door of Contact Carefully Opening'
SK0902032389 Seoul HANGUK ILBO in Korean
4 Feb 89 p 4

[Article by correspondent Yi Chae-sung from Washington: "Urging North Korea To Actively Approach the United States"]

[Text] In keeping with the gradual development of an atmosphere of detente between Seoul and Pyongyang, a door of contact between Washington and Pyongyang, which had been closed, is carefully opening.

In his interview with the Voice of America on 2 February, James Lilley, former U.S. ambassador to Korea and aide to President Bush, stated that "the United States

has decided to push ahead with the matter of free travel for nongovernmental-level exchanges of journalists, scholars, and businessmen with North Korea without any preconditions" and added that "visits to the United States by North Koreans are welcome."

These remarks of Lilley, former U.S. ambassador to Korea and an influential Asian affairs specialist who has been designated as the U.S. ambassador to China in Bush's administration, are interpreted as more actively and positively reaffirming the U.S. open-door policy toward North Korea in nonpolitical fields, which was made public by the U.S. Department of State on 31 October last year in efforts to ease sanctions against North Korea. In the announcement, the Department of State revealed that "the United States will encourage nongovernmental-level and unofficial visits by the North Korean side in the academic, sports, cultural, and other sectors as long as these visits do not violate the U.S. law on visas."

Lilley replaced the phrase "as long as these visits do not violate the U.S. law on visas" in the announcement of the U.S. Department of State with the expression "without any preconditions," and used the word "welcome"—an active expression manifesting ardor—instead of the term "encourage."

This can be interpreted as urging North Korea, which has shown a "careful and cautious attitude" toward the U.S. measures of easing its sanctions, as expressed by Under Secretary Michael Armacost, to show an active approach conforming to the intention of the United States.

Apart from the remarks of Ambassador Lilley, State Department Spokesman Charles Redman, said on 2 February that the United States welcomes the visit to North Korea by Chong Chu-yong, honorary chairman of the Hyundai business group, and an agreement on a North-South joint-venture program for developing Mt Kumgang into an international tourist site, and added that the realization of the joint-venture program will be "constructive" in easing tension between North and South Korea.

Over the recent 10 days, moves of rapprochement between Washington and Pyongyang have appeared to be a vigorous awakening from a long hibernation.

On 24 January, the Chinese Foreign Ministry arranged another round of meetings between political counselors of the U.S. and the North Korean Embassies in China, the first round of which was held in November last year, at the International Club in Beijing.

It has been learned that at the November meeting, the United States virtually refused tripartite talks among North and South Korea and the United States and U.S.-North Korean bilateral talks, which had been proposed in a letter from North Korean Foreign Minister Kim Yong-nam to then Secretary of State Shultz, and it asked the North Korean side to have sincere negotiations

with South Korea first. According to a diplomatic source in Washington, the two sides agreed at the meeting to keep the channel of contact open. In light of this fact, it seems that unlike in the past, North Korea's proposal for tripartite talks was not met with the mere refusal of the United States.

According to a diplomatic source in Washington, however, the United States, at the meeting, urged the North Korean side once again to show a "active and constructive response" to the U.S. demands for progress in the U.S.-North Korean relations in the 31 October measures of easing sanctions, such as the repatriation of the bodies of U.S. soldiers killed during the Korean war; trust-building measures at Panmunjom and along the truce line, as demanded by the U.S. and South Korean side; the discontinuation of slanderous broadcasts against the United States; efforts for progress in North-South talks; and the abandonment of terrorism.

In addition, the United States clarified its stand toward the annual "Team Spirit" Korean-U.S. joint military maneuvers the discontinuation of which North Korea had demanded. We have no idea what compensation the United States hinted to the North Korean side in return for reconciliation with South Korea and the United States.

Even though the United States did not hint at any concrete way for compensation at the second-round meeting in Beijing on 24 January, there has been reference to this matter.

In 1987, Sigur, assistant secretary for East Asian and Pacific affairs, strongly urged North Korea to extricate itself from isolation, stating that if North Korea adopts the open-door policy of reform, a way for it to take part in the Western economic system in Asia will open.

On 30 January, a week after the second-round Beijing meeting, negotiations over the repatriation of five bodies of U.S. war prisoners were held between the Association of Korean War Veterans and the North Korean mission in the United Nations in New York, at the request of the North Korean side.

The United States has a double-faced policy toward North Korea—a strong, yet moderate one. The United States attempts to ease tension on the Korean peninsula by luring North Korea to open its door and negotiate with the South, while maintaining a deterrent to a southward invasion by the North through the stationing of U.S. troops in South Korea. Incentives the United States can employ to lure North Korea to open its doors are easing its economic sanctions against the North and allowing it to take part in the Western economic system in Asia through its membership in the Asian Development Bank.

Now that South Korea is seemingly taking an active attitude of positively encouraging the United States to approach North Korea and even to open its market to Pyongyang, there is less probability for U.S. friction with the South.

Just as the Soviet Union attempts finlandization by responding to the northward policy of South Korea to make it extricate itself from the U.S. sphere of influence, the United States may seek as the ultimate aim of its policy toward North Korea to make North Korea extricate itself from the Soviet sphere—a countermeasure against the Soviet attempt at finlandization.

Prof (Edward Olson) of U.S. Naval Graduate School [as published] strongly urges the U.S. Government to ignore the South Korean Government's veto and to vigorously push ahead with ways to approach North Korea.

The U.S. reconciliation with the North depends on the strategy of the North Korean side. There will be no progress if the North Korean side insists on first solving such political and military problems, which are linked to stability on the Korean peninsula and its future—including the withdrawal of the U.S. troops from the South and the acceptance of the proposal for founding a democratic confederal republic of Koryo. However, North Korea can expect economic benefits if it makes efforts to build credibility by showing an "affirmative and constructive response" to the U.S. demands for stopping anti-U.S. slanders, repatriating the bodies of U.S. soldiers, and giving up terrorism.

The best strategy the United States can take is to tolerate North Korea without undermining the traditional Korean-U.S. alliance. The United States has the opportunity to put this strategy into practice because of South Korea's stirring policy of reconciliation toward North Korea and the South Korean people's ardor. The United States is "competing without bayonets" with the Soviet Union on the Korean peninsula in an "era after the cold war."

North Denounced for Boycotting Contact
SK0902041589 Seoul Domestic Service in Korean
0300 GMT 9 Feb 89

[Text] In a statement issued today, Chae Mun-sik, senior member of our side's delegation to the preliminary contact for North-South parliamentary talks, said that the unilateral postponement of the preliminary contact, slated for 10 February, by the North Korean side on the pretext of the "Team Spirit" exercise is a very regrettable act running counter to the aspirations of all fellow countrymen, who wish to see progress in and the fruition of the North-South dialogue. Reporter Yu Yon-chae will report more about this.

[Begin Yu recording] In a statement issued at a gathering today at the Office of the National Assembly speaker among the members of our side's delegation to the preliminary contact for the North-South parliamentary

talks, senior member Chae Mun-sik said that he urges the North Korean side to respond, if it wants the realization of the North-South parliamentary talks and democratic reunification and national unity, to the preliminary contact for the North-South parliamentary talks at an early date. He urges the North Korean side not to disappoint the fellow countrymen by postponing the preliminary contact, which was agreed on by both sides, on the pretext of the "Team Spirit" exercise.

Senior member Chae pointed out that in February 1986, the North Korean side unilaterally suspended the preliminary contact for the North-South parliamentary talks, which began in July 1985, on the pretext of the "Team Spirit" exercise, and that following this, the North Korean side again announced a unilateral postponement of the preliminary contact for North-South parliamentary talks. He stressed that this cannot be regarded as a correct attitude for dialogue.

Senior member Chae noted that our side informed North Korea in advance of the "Team Spirit" exercise whenever it was held and even invited North Korea to observe it. He said that this open and annual exercise with defensive purposes is different from the joint exercise which North Korea holds secretly with foreign troops, and that despite this, North Korea unilaterally demands an end to our side's military exercise. He stressed that such an act runs counter to the position of reciprocity and denounced North Korea. [end recording]

North Urged To Reconsider

SK0902074689 Seoul YONHAP in English 0734 GMT
9 Feb 89

[Text] Seoul Feb. 9 (YONHAP)—South Korea has urged North Korea to retract its decision to boycott a meeting Friday to discuss a joint session of the full legislatures of each side.

"We feel deep regret, along with the people who yearn for fruitful results from the South-North dialogue, over North Korea's decision to suspend the preliminary contact," Rep. Chae Mun-Sik, South Korea's chief delegate to the South-North Korean parliamentary talks, said Thursday.

The former National Assembly speaker also called on the North to join preparatory contacts for parliamentary talks on a non-aggression pact and other tension-easing measures.

"If the North really wants to realize the South-North parliamentary talks and national reconciliation and reunification, it should not disappoint the Korean people by suspending the scheduled preliminary contacts because of the 'Team Spirit' exercises," Chae said.

North Korea announced Wednesday that it would not attend the eighth round of parliamentary talks Friday at the truce village of Panmunjom because of the annual South Korea-U.S. military maneuvers.

Noting that the North unilaterally called off inter-Korean dialogue in January 1986, the senior lawmaker of the ruling party said he didn't think it justifiable for Pyongyang to announce suspension of the preliminary contacts.

"In fact, our side informed North Korea in advance of the exercises and even invited them to observe the open and defensive nature of the training," Chae said.

"The South and the North were nearing an agreement for a full-dress session of both parliaments, but North Korea has disrupted progress at the final stage by calling for the suspension of Team Spirit," he said.

North Blames 'Team Spirit' for Postponement
SK0902041889 Seoul YONHAP in English 0330 GMT
9 Feb 89

[Text] Seoul, Feb. 9 (YONHAP)—North Korea, blaming annual South Korea-U.S. military exercises, has called off talks scheduled for Friday at the truce village of Panmunjom and jeopardized all ongoing dialogue between Seoul and Pyongyang.

Pyongyang announced Wednesday it could not send a delegation to the eighth session of preliminary contacts to arrange an inter-Korean parliamentary conference while the "Team Spirit" exercises are underway.

Wednesday's agreement in Panmunjom to hold a second round of talks March 2 on a proposed South-North prime ministers' meeting is now in doubt as Pyongyang called dialogue and Team Spirit "incompatible," government sources said.

The abrupt change of mind by the communists in the North comes as expectations were soaring for improved inter-Korean relations following an unprecedented agreement on economic exchanges, including joint development of a scenic mountain into a tourist resort, late last month.

The North is also expected to boycott a sports meeting March 9 to select a single Korean team for the 1990 Asian Games in Beijing, the sources said.

But they said they expect Pyongyang to resume talking with the South after the end of Team Spirit in April.

"In view of North Korea's positive attitude toward economic exchanges with the South and other external factors, Pyongyang is not expected to suspend dialogue for a long period," they said.

"Vigorous" dialogue, however, may be possible only after the the World Youth Festival in Pyongyang in July, considering that the North has devoted all its energies for the success of the festival.

Pyongyang has launched a propaganda onslaught against Seoul and Washington over the large-scale joint military maneuver, and had threatened repeatedly to call off all scheduled talks with the South unless this year's Team Spirit exercises were canceled.

In January 1986, North Korea abruptly called off all meetings to protest that year's Team Spirit exercise.

On Wednesday, North Korea's chief delegate, Paek Nam-chun, charged that the Team Spirit exercise could heighten tension on the Korean peninsula, deepen mistrust and misunderstanding and step up confrontation between the divided halves of Korea.

But South Korea's chief delegate, Song Han-ho, rejected Paek's charges, saying that Team Spirit is a defensive military drill and has no relation to South-North dialogue.

Paek and Song attended the first preliminary meeting to arrange the projected inter-Korean premiers' talks.

No Change Perceivable in North's Policy

SK0902005089 Seoul THE KOREA TIMES in English
9 Feb 89 p 1

[By staff reporter Pak Mu-chong; "Pyongyang Shows No Change in Policy Toward Seoul"]

[Text] "Our wish even in a dream is national unification." This children's song manifests the minds of 40 million people at least in the southern half of the divided Korea.

The recent unprecedented agreement, between the stubborn Communist North Korea and a South Korean capitalist, to undertake several joint venture projects may be a gate of the long and winding road to a unified Korea.

The sensational accord, which ignited the Mt. Kumgang (Diamond) fever in the South, is to be followed by a series of dialogues at different levels between Seoul and Pyongyang, bitter rivals since their division in 1945.

And, the people of the South are buoyant with expectations of sight-seeing at the picturesque Mt. "Diamond" in the North in the near future.

But, voices are growing stronger saying that "reckless illusions" must be rejected when viewing South-North relations.

The return of Hyundai owner Chong Chu-yong from his visit to the North last week might have impressed the people in the South as an indication of Pyongyang's policy change toward Seoul.

However, yesterday's first political talks between the two sides at the truce village of Panmunjom clearly proved that North Korea's basic positions are still very strong and show no sign of change.

Nothing was agreed except for the holding of the next meeting on March 2 in the talks. The meeting was aimed at narrowing differences over how to realize the premiers' talks.

As expected, the North Korean delegation repeated the call for a halt to the joint South Korea-U.S. military exercise, "Team Spirit."

The North suspended all dialogues with the South in 1986, citing the maneuvers, an annual event since 1976.

There's no doubt that the demand for discontinuation of the drills is in step with the North's fundamental strategy, the withdrawal of U.S. troops from the South.

South Korean military leaders have indicated a possible reduction in scale of the military drill from this year in the case of North Korea showing a "concrete change of attitude" toward the South.

North Koreans also came up with a new strategy yesterday, demanding that the Seoul government discontinue its crackdown on publications of dubious nature about North Korea, favored by some activist students.

It should be pointed out here that South Korea has never poked at North Korea's domestic affairs, including the most undemocratic father-to-son power transfer.

Contrary to the rash expectations for a rapid improvement in the relations between the South and North following Chong's trip, voices for "being prudent" in relations with the North are heard from those who have insights into the nature of the North Korean Communists.

Most cautious are military generals, who have been very sensitive to the growth of leftist forces.

Along this line, Defense Minister Yi Sang-hun recalled last week the peace offensives of the North on the eve of its invasion into the South on June 25, 1950.

In the inaugural meeting of a group to promote various projects to commemorate the Korean War, Yi said, "We have to watch closely the Janus-faced North Korea, which advocates peace, while at the same time never loosening preparations for a war through a constant military build-up."

Prime Minister Kang Yong-hun, who was born in the North, also called for a restraint of rash expectations, stressing that North Korea "is on an onslaught for strengthening its war capabilities."

In particular, he appealed the press to be sober in reporting inter-Korean relations. In fact, the press apparently appears to be moving too fast.

Setting aside such warnings, the entire people are required to strive to understand what's the real purpose of North Korea in their dialogue offensive.

In addition, the government has to keep in mind that the South-North dialogue during the reign of the late president Pak Chong-hui was used in some aspects for political purpose of establishing the "Yusin (revitalizing reforms)" system.

'Erratic' Moves by North Create Uncertainty
SK0802045089 Seoul THE KOREA TIMES in English
8 Feb 88 pp 1, 6

[By staff reporter Kim Chom-dong: "Pyongyang Uses Double-Faced Ploy To Attain Own Goals"]

[Text] "Mt. Kumgang fever," though apparently fading, was one of the major topics during the three-day festive traditional New Year holidays, reflecting the dream of an end to the 40-year bitter confrontation and realization of early peaceful reunification.

Many people believed that sightseeing tours of the picturesque Mt. Kumgang were at hand upon hearing the great news from Chong Chu-yong returning from his trip to the north. But now they seem to have become cool-headed and they are reluctant to trust the words of Pyongyang, although they haven't given up hope.

Commenting on his brief talks with a North Korean ministerial level official recently, Economic Planning Minister Cho Sun said that nobody can expect any tangible results from economic relations with the north in the immediate future.

Many people share the view. The erratic moves by Pyongyang have created a sense of uncertainty in the south. They believe the North Korean approach is so fragile that no one is sure if the north is really hoping to promote economic exchanges with the south.

The trade expansion and improvement of relations between Seoul and the Pyongyang's allies East European countries appear to be pressing the north to open its doors toward the south. Seoul hopes the pressure will induce the Pyongyang to start constructive contacts with the south.

North Korea is certainly in a financially difficult situation, including the shortage of foreign exchange, and it needs foreign aid and economic cooperation. The world youth festival planned for this year in the north must be burdensome, but it has had no other choice than to host it to save face.

The north reportedly owes \$5 billion to Eastern bloc and Western nations. It failed to negotiate the extension of the debt repayment period in 1987, aggravating its trade situation.

The north has about 100 trading companies and its 1987 yearly two-way trade was recorded at \$4,060 million—\$1,670 million in exports and \$2,390 million in imports, thus putting it \$720 million in the red.

Over 70 percent of its trade depends on the Soviet Union, China and Japan. Moscow is the largest partner.

The north's export items cover around 200, mostly mineral, agricultural and fisheries products while it imports secondary industrial goods, including electric and machinery merchandise. In 1982, 10.8 percent of its imports were trucks from Western countries, which later stopped shipping them because the vehicles were converted for military use.

The north enacted a joint venture law in 1984 apparently to attract foreign capital and technology. Since then, only 23 joint venture businesses have been contracted. Of them, 17 were undertaken by Korean residents in Japan siding with North Korea. Three are with the Russians, two with the Chinese and one with the French.

The North Korea invited Chong, who is regarded by Pyongyang as a symbol of capitalism, to visit the north and it produced a sort of protocol outlining south-north joint projects on Mt. Kumgang, in Siberia and Wonsan.

Coinciding with Chong's tour in the north, Pyongyang, however, denied that the direct and indirect trade exchanges were taking place between the two parts of Korea. It is hard to understand why the north made such false announcements.

A total of 20,000 tons of north Korean coal were being shipped directly from the north to the south during Chong's trip. Some northern products, including artistic works and shells have already arrived in the south via third countries.

It is noted that the North Korean chief delegate to a world economic forum held in Davos, Switzerland, late last month stated that economic exchanges and joint venture between South and North Korea would be impossible until political and military obstacles were removed.

This indicated that Pyongyang is intending to use the "Mt. Kumgang card" to obtain a decisive gain at the south-north political and defense talks.

It is also clear that the north began to make economic approaches toward the south because of their need to do so. Unlike democracies which have binational relations for mutual national interests, socialist nations do everything to achieve their own gains only. This is their basic economic and social structure. Japan and other Western nations have already learned this lesson.

South Koreans should not mistake Pyongyang's approaches and smiles. The joint ventures, likely to begin in the near future, will not have any impact on the "Iron walls of Kim Il-song chuche (independence) thought," which has been deeply indoctrinated into all northern brethren.

The just-opening economic ties with the North Koreans can be broken at any time by Pyongyang as it has done in the past in various forms of dialogue since the early 1970s.

Careful dealing is a must and hasty, great expectations are to be avoided. But it is quite necessary to retain the hope that the north is trying to make real progress to revive its sagging economy and that Pyongyang will not pour cold water on the burgeoning south-north economic cooperation.

Radio Moscow Cited on DPRK-USSR Exercise
SK0902045889 Seoul THE KOREA HERALD
in English 4 Feb 89 p 1

[Text] Naval forces of the Soviet Union and north Korea conduct a joint military exercise for about one week annually off the east coast, Naewoe Press reported yesterday.

Quoting Radio Moscow, the news agency said five to seven vessels from the Soviet Union participate in the war games that are defensive in nature.

The Soviet naval forces in the military exercise account for 20 to 25 percent of the total north Korean naval forces, Naewoe reported.

It is unusual for Radio Moscow to report joint war games between naval forces of the Soviet Union and north Korea.

North Steps Up Propaganda Offensive Against South
SK0902011889 Seoul THE KOREA TIMES in English
9 Feb 89 p 3

[Text] North Korea has recently mounted a political and military propaganda offensive, far more vitriolic than those of the past, against South Korea in the midst of the current peace mood on the peninsula.

Seoul and Pyongyang are making preparations for a series of high-level political talks designed to promote south-north exchanges in a broad range of fields.

North Korea charged last Saturday that South Korean troops violated the Armistice Agreement of the Korean War by firing on the North Korean military post on the northern side of the Demilitarized Zone (DMZ).

Through its government-controlled propaganda tools, North Korea also accused South Korean forces early this week committing armed provocations against it, claiming that four South Korean warships intruded its territorial waters off the west coast of the peninsula.

An informed source at the Ministry of National Defense yesterday rejected North Korean claims as totally groundless propaganda ploys.

The sources made the point that South Korea is now pushing talks with the north to ease tensions on the peninsula and for eventual reunification of the divided nation by peaceful means, not by force.

"There is no reason whatsoever for us to provoke them (North Koreans) at such an important time as now, and we know very well that any sort of military provocation will undermine our efforts to hold South-North talks," added the source.

North Korea, the source analyzed, continues to demand a halt to the annual ROK-U.S. defense-oriented combined training exercise Team Spirit aimed primarily at attaining the pullout of the U.S. forces from the South.

A ranking official at the Defense Ministry, meanwhile, observed that North Korea has increased its military forces up to 1 million in number, while suggesting talks on reduction of the military strength on both sides.

He warned that an "excessive" expectation of results from the South-North exchanges would damage the sense of national defense and security in the situation that North Korea does not change its military strategy against the South.

Chong Chu-yong Plans To Meet Kim Il-song
SK0902015289 Seoul THE KOREA HERALD
in English 9 Feb 89 p 2

[Text] Chong Chu-yong, honorary chairman of the Hyundai Business Group, is scheduled to meet north Korean leader Kim Il-song when he visits Pyongyang again in April, a ruling DJP source said yesterday.

Confirming that Chong did not meet Kim Il-song during his recent 10-day visit to north Korea, the source said that Kim was out of Pyongyang of vacation while Chong was in north Korea.

The north Korean authorities, however, pledged to arrange a meeting between Kim and Chong during the latter's visit to north Korea in April.

"North Korea's basic position seems to be to keep private commercial contacts between south and north Korea from being developed into political ones," the source said, speaking on condition of anonymity.

Chong is expected to offer the overall masterplan for the Mt. Kumgang development to north Korean authorities when he visits Pyongyang in April. The plan has been approved by the south Korean government. The source added that the proposed meeting between Kim and Chong would serve as an occasion to verify the south-north joint project with the highest north Korean authorities.

Government To Scrutinize Chong's Trip to North
SK0902010489 Seoul THE KOREA TIMES in English
9 Feb 89 p 2

[Text] The government will start scrutiny of the results of Hyundai owner Chong Chu-yong's recent business trip to North Korea next week, a close aide to President No Tae-u said yesterday.

Chong, who travelled to the North Jan. 23-Feb. 1 as the first South Korean industrialist to visit since the national division in 1945, reached a three-point agreement with Choe Su-kil, a North Korean banker, which highlights the joint development of Mt. Kumgang in the North into a world-class sightseeing resort.

The government's screening of the accord will be conducted by the inter-ministry committee for the consultation on northern policy, headed by Pak Se-chik, director of the Agency for National Security Planning, according to Pak Chol-on, senior presidential secretary for policy.

The outcome of the committee's work will be notified to North Korea through dialogue channels, he said.

Pak, who spearheads development of the government's northern policy, denied that Chong met with North Korean leader Kim Il-sung during his visit.

He also denied that Chong invited former North Korean foreign minister Ho Tam, now serving as chairman of the "committee for the unification of the fatherland," to Seoul. It was at Ho's invitation that Chong visited North Korea.

"A private businessman cannot invite a political figure of the North (to the South)," he underscored.

Government To Work Out Measures for Exchanges
SK0802040889 Seoul THE KOREA TIMES in English
8 Feb 89 p 1

[Text] The government plans to discuss and work out measures to support inter-Korean exchanges including enactment of a special bill at a meeting today, following top Hyundai businessman Chong Chu-yong's working trip to North Korea.

The matters up for discussion at the meeting of ranking officials from relevant ministries today will include the setting-up of a special government body to support inter-Korean exchanges, legislation of a law to guarantee the exchanges, and revision of relevant laws for the exchanges.

At the joint meeting, sponsored by the Prime Minister's Office and attended by relevant ministry officials, the working-level officials will make a close review of the joint development of Mt. Kumgang into a world-class resort and to work out steps to facilitate the development work.

Specifically, matters such as the official endorsement of the projected development and installment of hot lines with the Kumgang mountain areas will be discussed.

Chong, honorary chairman of the Hyundai Business Group, said he reached three-point accords with North Korea, including the joint development of Mt. Kumgang, on his recent 10-day business trip to the North.

Chong, the first top South Korean businessman to visit North Korea in 42 years since the nation's division, also said he would lead a 20-man working-level team into the North to tackle details on the Mt. Kumgang project and the matter of finances around April 20.

The joint meeting will also cover the matter of special legislation to guarantee multilateral inter-Korean exchanges and joint ventures.

The special legislation, intended for passage during the special House session starting on Feb. 13, will also call for guaranteeing the free passes by civilians from both sides through the Demilitarized Zone (DMZ), which currently denies access to people not authorized by the Military Armistice Commission.

The first thing to that effect is that the pertinent article under an armistice agreement denying ordinary people access to the DMZ should be revised or a new agreement should be introduced to guarantee free passes by civilians across the DMZ, sources at the Defense Ministry observed.

Also up for close scrutiny at the meeting will be the revision of relevant laws such as the Immigration Control Law and Construction Law, which will directly affect the southern industrialists committed to the inter-Korean projects.

Meanwhile, the attendants at today's meeting will also discuss the setting-up of a special government body to support the inter-Korean exchanges joined by working-level officials from the Foreign Ministry, Commerce and Industry Ministry and Construction Ministry.

The new body, engineered by the governing Democratic Justice Party will be charged with coordinating various inter-Korean jobs cropping up at multilateral channels both at governmental and non-governmental levels.

North Reporters Speak on Chong's Trip at Meeting
SK0902011689 Seoul THE KOREA TIMES in English
9 Feb 89 p 2

[Text] Panmunjom—North Korean reporters denied yesterday that Hyundai owner Chong Chu-yong had met North Korean leader Kim Il-song during his recent visit to the North.

They tried to downgrade the business tycoon's visit as having been designed to meet his relatives in the North, while chatting with their southern counterparts during the first preliminary contacts for premiers' meeting between two Koreas at the Peace House in the southern half of the truce village of Panmunjom.

However, they admitted that agreements were made during Chong's visit to jointly develop the Mt. Kumgang (or Diamond) area as a tourist resort.

A reporter from the North Korean central broadcasting agency said, "How he (Chong Chu-yong) was eager to meet his relatives!"

As to the joint development of the beautiful mountainous area, the reporter said, "Economic cooperation will make substantial progress after political issues between the South and North are settled.

"However, it would be desirable to seek mutual interests through the joint development of the excellent sightseeing resources," said the reporter.

The North Korean delegation, including dozens of reporters to cover the first preliminary contacts, crossed the military demarcation line half an hour before its opening at 10 a.m.

A reporter from the Soviet Union's PRAVDA commented, "I can't forecast whether South-North summit talks will be realized. The scenery of the Mt. Kumgang was excellent when I went there last year. It would be great for the South and North to jointly develop the area."

One of the North Korean pressmen said, "I know Mr. Chong could not have met president Kim Il-song because he visited at the invitation of Ho Tam, chairman of the North's Committee for the Unification of the Fatherland."

He also saw negative prospects for a return visit by Ho Tam to South Korea by saying, "His native town is not in the South." He was obviously comparing with the visit by Chong of his North Korean native town during his nine-day stay there.

Five delegates each from the South and North exchanged greetings with each other before the start of the conference. The warm weather both in South and North Korea provided topics in proceedings which started in a rather amicable atmosphere.

Vice Unification Minister Song Han-ho chief delegate from Seoul, said that there was much rain in Seoul and the Han River have not frozen this year because of the unusually warm weather.

His northern counterpart Paek Nam-chun said in reply that the Taedong River has not frozen either.

Chief South Korean delegate Song was to make a keynote speech first but accepted the North Korean delegation's offer to take the first turn.

"It does not matter who makes the keynote speech first," chief South Korean delegate Song said.

But, the friendly atmosphere did not continue long because the chief northern delegate began to denounce the Team Spirit exercise, which has nothing to do with the agenda of the preliminary talks.

Peak also took issue with the South Korean government's ban on publication of some radical printed materials praising North Korea and its leader Kim Il-song.

The northern delegates made it clear that the preliminary talks would not progress even a step unless the South suspends the annual joint military drill with the United States.

Seoul's chief delegate Song said, for his part, "The Team Spirit is something beside the agenda."

Then they pressed the southern delegates to say only the five syllables in Korean, "Kemandugetta," meaning suspension (of Team Spirit).

South Korean delegates suggested that the two sides take up easy matters to solve such as the establishment of a direct telephone line between military authorities of the South and North and withdrawal of arms in fact from demilitarized zone.

"It is natural that military exercises are conducted as long as the military exists," said one of the southern delegates. They then suggested that North Korea and its communist ally, China, watch Team Spirit to determine whether it is designed for attack against the North or not.

The northern delegates continued to attack Team Spirit, leaving untouched the main subject of the preliminary contacts such as naming and other procedural matters for the premiers' talks.

As the northern delegates showed no signs of stopping censuring Team Spirit, the southern delegates reminded them reluctantly that North Korea also conducts joint naval exercises with the Soviet Union.

Government To Draw Up Guidelines for Exchanges
SK0902015489 Seoul THE KOREA HERALD
in English 9 Feb 89 p 2

[Text] The government has decided to draw up guidelines for pursuing systematic, prudent and consistent exchanges with north Korea.

It will also form a body for inter-ministerial coordination of plans and projects related to north Korea and other socialist countries.

An Chi-sun, director of the Office of Administrative Coordination under the Prime Minister's Office, yesterday presided over a meeting of working-level officials from 10 related ministries.

The participants agreed on the necessity for early legislation of special laws for the promotion of south-north exchanges, revision of related laws and drawing up of guidelines for the exchanges.

Meanwhile, Prime Minister Kang Yong-hun will preside over a meeting of the government and the ruling party at his Samchong-dong residence today. Pak Chun-kyu, chairman of the Democratic Justice Party, and other high DJP officials will attend.

The participants will discuss the recent visit of Chong Chu-yong, honorary chairman of the Hyundai Business Group, to north Korea and finalize bills for special laws on south-north exchanges.

They are also expected to finalize the body for inter-ministerial coordination on north Korea and other socialist countries.

Government To Approve Projects With North
SK0902023189 Seoul YONHAP in English 0201 GMT
9 Feb 89

[Text] Seoul, Feb. 9 (YONHAP)—The South Korean Government is expected to approve joint venture projects between North Korea and a South Korean business tycoon next week.

Pak Se-chik, former president of the Seoul Olympic Organizing Committee, and now director of the Agency for National Security Planning, will chair a policy coordination council meeting Feb. 14 that is almost certain to give its official stamp of approval to the private level joint ventures.

"As North Korea has disclosed its intention to approve the projects, the council will make a final decision on government approval and will discuss in detail measures to support the projects," a government spokesman said Thursday.

Chong Chu-yong, founder and honorary chairman of Hyundai, South Korea's biggest business conglomerate, has agreed with North Korean authorities to launch several joint venture projects, including development of Mt. Kumgang into a tourist complex.

The North Korean-born industrialist, who became the first businessman from the South to visit North Korea when he flew into Pyongyang on Jan. 23 for a nine-day visit, brought back with him a protocol that requires government approval for the agreements to take effect.

"After the council meeting, the government ministries concerned will prepare detailed measures to support the inter-Korean economic exchanges," the spokesman said.

Speaking on condition of anonymity, he said, "upon government approval, Chong will hold a news conference to reveal more information about his visit to North Korea."

The coordination council, set up to improve relations with communist nations, comprises the foreign, justice, trade and industry, and unification ministers.

Meanwhile, it was agreed in an inter-ministerial conference Wednesday to set up three consultative bodies—to be led by the Foreign Ministry, the National Unification Board, and the Culture and Information Ministry, respectively—to help promote trade with North Korea and other communist countries.

An Chi-sun, director of the Office of Administration Coordination in the Prime Minister's Office, presided over the conference. He said the attendants also agreed on the need for a law to revitalize efforts to improve relations with North Korea and other communist countries.

Industrialists To Discuss Business With North
SK0802024289 Seoul YONHAP in English 0234 GMT
8 Feb 89

[Text] Seoul, Feb. 8 (YONHAP)—South Korea's leading industrialists will meet here next week to discuss joining forces to do business with North Korea.

They will be briefed by Hyundai head Chong Chu-yong on his nine-day visit to the North, business sources said Wednesday.

Chong will explain his agreements with the North Koreans for on-the-spot inspections and ideas for other conglomerates to join in development of Mt. Kumgang and other joint ventures with the North.

The meeting is being arranged on the supposition that South Korean businesses should cooperate in inter-Korean economic exchanges rather than letting Hyundai go it alone.

Hyundai officials say the group does not seek to monopolize economic exchanges with the North, although Chong, founder of Hyundai, concluded the agreements on a private basis. They also say Hyundai will seek ways to cooperate with other domestic enterprises in making inroads into North Korea.

In their gathering, the leading entrepreneurs will also discuss ways to safeguard their investments in the North and to cooperate with the government in Pyongyang. The Korean peninsula was divided into the capitalist South and the communist North at the end of World War II in 1945. The two Koreas have remained technically at war since 1953 when the three year Korean war ended with an armistice agreement.

Change in Inter-Korean Travel Laws Considered
SK0902112289 Seoul YONHAP in English 1112 GMT 9 Feb 89

[Text] Seoul, Feb. 9 (YONHAP)—South Korea will no longer define North Korea as a hostile nation when it rewrites laws governing North Korea-related affairs, a source at the ruling Democratic Justice Party said Thursday.

The government and the ruling party will revise the National Security Law and laws governing passports, immigration and foreign trade to help promote contacts between South and North Korea, he said.

The move follows a government announcement of plans to legislate a new law regarding inter-Korean exchanges, which has attracted wide attention in connection with the ongoing controversy about the legality of the nine-day visit to North Korea by South Korean business tycoon Chong Chu-yong in late January.

The ruling party plans to change the passport and immigration laws so that North Korea is defined as a semi-foreign country and to write new articles on visits by South Koreans to the North and vice versa, according to the source, who spoke on condition of anonymity.

So far, North Korea has been termed an enemy in the South.

The law governing foreign trade will also be redressed to include a section on trade with North Korea and to stipulate that trade with the North should be seen as domestic trade not as export or import.

In addition, South Korea plans a revision of the controversial National Security Law, under which personal and merchandise exchanges between the two Koreas will be excluded from the categories subject to punishment. The law will be rewritten to confine punishable acts to those helpful to antistate organizations.

The ruling party is also considering redressing the law governing mail and communications to permit communication services between the two Koreas provided that they are not exploited by the North.

In South Korea, there have been some legal and political disputes surrounding the burgeoning exchanges between South and North Korea because they have been arch-enemies since the peninsula was divided into the capitalist South and the communist North.

Groups Oppose Representation at Hirohito Funeral
OW0802151289 Tokyo KYODO in English 1341 GMT 8 Feb 89

[Text] Seoul, Feb. 8 KYODO—Seven groups of former activists against Japanese rule in Korea joined together Wednesday in calling on South Korean Prime Minister Kang Yong-hun and other government officials to cancel their plans to visit Japan to attend the funeral of Emperor Hirohito, now called Emperor Showa, on February 24.

In a joint statement, the groups chastized the government's decision to dispatch an official delegation to the funeral, saying that the emperor "inflicted misfortune on our people and all mankind."

The one-time activists criticized Emperor Showa for never publicly apologizing for injustices inflicted on Koreans during Japan's 36-year colonization of the neighboring peninsula from 1910-1946.

The statement called on Emperor Akihito, who succeeded his father to the throne on January 7, to apologize to the Korean people.

The former resistance members said that sending envoys to pay tribute to the late Japanese monarch amounted to praying at a Shinto shrine as Koreans were once forced to do under Japanese rule.

Subsidiary Operations in Europe To Be Increased
SK0902050289 Seoul YONHAP in English 0410 GMT 9 Feb 89

[Text] Seoul, Feb. 9 (YONHAP)—South Korea plans a drastic increase of subsidiary operations in Europe, establishing 50 new locally-incorporated firms each year until 1992 and slashing the trade surplus.

The government decided Wednesday to encourage subsidiary operations in electronics, auto and other promising industries before consolidation of the European Economic Community.

Korean enterprises currently have about 65 subsidiary firms in the region.

The decision came in a meeting of officials of the foreign, finance, and trade-industry ministries, as well as economic associations and research centers.

Participants agreed to narrow the trade surplus with the EEC to 1.5 billion U.S. dollars this year, and 1 billion dollars in 1990 to ease trade tensions.

The nation posted a 2 billion dollar trade surplus with the common market last year.

The government will send three buying missions to Europe this year to redress the imbalance.

"A coercive export drive of finished goods is provoking alarm and resistance among EEC countries," said Trade and Industry Minister Han Sung-su, who chaired the meeting. "We should diversify export items, and strengthen inter-industry links with the EEC."

The Trade and Industry Ministry will dispatch an investment and market research team, sponsored by the Korea Foreign Trade Association, to Europe at the end of this month.

Effects From Closer USSR-China Ties Viewed
SK0902013089 Seoul THE KOREA TIMES in English
9 Feb 89 p 8

[Editorial: "Thawing in Asia"]

[Text] The two Communist giants, the Soviet Union and China, are moving rapidly toward political normalization. The recent visit to China of Soviet Foreign Minister Eduard Shevardnadze comes as part of efforts to end the three-decades of icy relations between the two countries which were estranged from each other over ideological and strategic differences in 1960.

At the end of the Soviet foreign minister's three-day visit, he disclosed that he and China's top leader Deng Xiaoping had reached an agreement that Soviet leader Mikhail Gorbachev will travel to China in mid-May. Gorbachev's visit to China is hopefully seen as signalling a formal end to the freeze on mutual government and party relationships. The Sino-Soviet summit, if held, will be the first since Mao Zedong and Nikita Khrushchev met in Beijing in 1959.

Shevardnadze also told the press that he and Deng had agreed that Soviet and Chinese leaders will proceed from the presumption of complete normalization of relations

between the two neighboring countries. He confidently said that the projected summit will close the page on the past and open up a chapter of the future.

The Soviet foreign minister who gave a press briefing after his talks with Deng also touched on his broad agreements with the Chinese leader on the need for joint Sino-Soviet efforts to end the 10-year conflict in Cambodia, and to work toward reducing offensive forces and military tension along their 8,000-km border. Despite the prospective views, the Chinese government released nothing about the Deng-Shevardnadze talks in an apparent expression of its cautious stand on the issue.

The Soviet-Chinese agreements, at any rate, represent epoch-making progress in their relations, opening up the possibility of a full resumption of their official ties. And this development, as a matter of course, will have serious impact on the neighboring Korean peninsula, and is expected to accelerate the thawing of relations between South and North Korea.

There is little doubt that the current mood of economic accommodation between the divided Koreas is much attributable to the East-West detente achieved on the initiative of Soviet leader Gorbachev.

Following the historical signing of the Intermediate Nuclear Forces (INF) agreement last year, the mood of detente has spread farther, giving an impetus to the Sino-Soviet rapprochement. To this end, Moscow has taken a series of political and military initiatives involving the withdrawal of some 100,000 soldiers from Afghanistan by February 15, the pullout of the Soviet-backed Vietnamese forces from Cambodia and substantial reduction of Soviet troops in Asia—a planned reduction of its armed forces in Soviet Asia by 260,000 within two years and three-quarters of its troops in Mongolia.

The reductions were viewed as indicating a willingness of the Soviet and Chinese leaders to improve their relations. In fact, Shevardnadze was quoted as saying that the reductions aim to create an atmosphere of absolute trust in the area of the Sino-Soviet border. Progress in the Moscow-Beijing relationship will produce a spillover effect on Korea.

Against this backdrop, United States President George Bush's visit to China and Seoul late this month is sure to escalate the favorable atmosphere. Bush's Seoul visit is comparable to Soviet leader Gorbachev's ensuing trip to Pyongyang this spring. This flurry of visits may well intensify the current trend to diplomatic contacts conducive to lessening tensions in Asia and on the Korean peninsula in particular.

The United States, in this context, was reported to have made its first substantive diplomatic approach to Pyongyang with senior American and North Korean diplomats meeting in Beijing last December and again last month.

The Washington-Pyongyang contacts in Beijing reportedly closely followed Shevardnadze's visit to the North Korean capital, giving rise to speculations that there must have been some nudging by both the Chinese and the Soviets for better relations with Seoul.

Coincidentally or not, encouraging signals are being sent to Seoul from Pyongyang in terms of multilateral inter-Korean talks. However, it is necessary for us to beware of negative effects from what seem to be optimistic developments. Expectations often give way to frustrations.

Business Group Leaves for Beijing To Discuss Ties
SK0902102989 Seoul YONHAP in English 1016 GMT 9 Feb 89

[Text] Pohang, South Korea, Feb. 9 (OANA-YONHAP)—A group of five representatives of South Korea's Pohang Iron and Steel Co. (Posco) left for Beijing Thursday to discuss ways to promote technical cooperation with China in their bid to develop the third-generation synchrotron radiation source.

The delegation, which includes two professors of the Pohang Institute of Science and Technology (Postech), Posco's research institute, is to finalize a technical cooperation agreement which was reached with the Institute of High Energy Physics in Beijing (IHEP) on a tentative basis last December. The Posco representatives will stay in China for eight days.

IHEP, one of the world-renowned pioneers in the field since its inauguration in 1950, developed a new type of 2.8 GEV (giga electronic volt) particle accelerator last October.

By 1992, Postech is to complete development of the SRS, which will greatly aid the advancement of chemical engineering, semiconductor, bioengineering, and other high technologies.

Postech also formed technical ties in early 1988 for the project with a dozen institutes such as the United States Argon National Lab and French E.S.R.S.

Seoul Pushing for Trade Exchanges With SRV
SK0902023589 Seoul YONHAP in English 0210 GMT 9 Feb 89

[Text] Seoul, Feb. 9 (YONHAP)—South Korea is pushing for economic and trade exchanges with communist nations in Asia and Africa closely allied with the Soviet Union following the success of approaches to some East Bloc countries.

Seoul is intent on exchanging trade offices with Vietnam, Syria, Algeria and Congo, all nations with which South Korea has no diplomatic relations, officials at the Korea Trade Promotion Corp [KOTRA], said Thursday

South Korea recently opened or agreed to open trade offices in Hungary, Yugoslavia, the Soviet Union, Poland and Bulgaria in moves to implement the "northern policy" of improving relations with communist countries.

Plans call for province-level economic ties with Vietnam and looking into ways to safeguard investments. South Korean businesses have agreed to set up joint ventures in fishing net and marine processing factories.

If economic cooperation between South Korea and Vietnam is successful, Vietnam will provide Seoul with opportunities to make inroads into neighboring Kampuchea and Laos, the KOTRA officials said.

Preparations for economic exchanges with Syria, Algeria and Congo are under way and South Korea will open trade offices in those countries if relations with North Korea improve, the officials said.

Prime Minister Interviewed on Current Issues
SK0902114389 Seoul HANGUK ILBO in Korean 8 Feb 89 p 3

[Interview with Prime Minister Kang Yong-hun by Hwang So-ung, director of the Political Department of the HANGUK ILBO—date and place not given]

[Excerpts] [Hwang So-ung] It has been 2 months since you were inaugurated as prime minister. Will you talk about what you have felt while in office and about how much you have acquainted yourself with state affairs?

[Kang Yong-hun] I was inaugurated prime minister on 5 December last year, so 2 months have already passed since then. I have been very busy with a tight schedule. With the passage of time, I feel a heavier responsibility for state affairs and the assignments of history.

I pledge to fulfill my duty without any shame in my conscience by taking advantage of this transitional era, when what is termed revolutionary changes are taking place, as an occasion for national development.

I think that as I have been briefed on state affairs by almost every ministry, I have become acquainted with state tasks in my own way.

[Hwang] Chong Chu-yong, honorary chairman of the Hyundai Business Group, recently visited Pyongyang. His visit caused many people to excitedly think that reunification is near at hand and to vaguely expect that they will sightsee at Mt Kumgang before long. What are your views on these recent changes in North-South relations?

[Kang] I think it is necessary to view North Korea at least with calmness in mind. While inviting Chairman Chong to visit Pyongyang and proposing high-level North-South political and military talks, North Korea has augmented its regular armed forces to more than 1

million-strong forces as recently analyzed by a U.S. specialist institute. In addition, North Korea has introduced "MiG-29's" and "Su-25's," sophisticated fighters, and has deployed artillery guns with the Seoul area within their range along the truce line.

It is necessary to judge North Korea's pattern of approach toward the South on the basis of this perception. We should keenly watch what ulterior motives North Korea seeks for its "invitation of Chairman Chong to Pyongyang and agreement on the development of Mt Kumgang" just as high-level North-South political and military talks presupposes the withdrawal of U.S. troops from the South. We should not overlook the aspect of psychological warfare tactics—propaganda that as expressed by North Korea itself, "it is confident of itself to the extent that it can now invite the chieftain of Korean capitalism to North Korea."

From this viewpoint, I think that the people should refrain from getting excited with any hasty expectation and that the mass media should not overplay its coverage of this issue.

We should try to make progress in North-South relations but carefully and cautiously watch whether there is any trap.

[Hwang] In my opinion, the most remarkable changes since you assumed the position are, above all, vigorous debate over reunification and contacts with North Korea as shown by Chairman Chong's visit to North Korea and the direct import of North Korean coal. Will you talk about a new plan for North-South reunification which the government of the Sixth Republic has contrived?

[Kang] In a word, it is a coalition of systems. As manifested by President No Tae-u in his "7 July declaration," a coalition of systems means that the current two systems coexist peacefully as a temporary stage in the course of complete reunification. I also support this idea which was conceived by the Unification Board. The North and the South should create a single concept of nation by mutually recognizing the system of the other side.

This way differs greatly from a "coalition of states," which has caused confusion. A coalition of states means the mutual recognition of separate independent states. Because a coalition of states may result in perpetuating division, not in reunification, a coalition of systems is more reasonable.

Therefore, I believe it the most realistic way for approaching reunification to lay a foundation for peaceful coexistence while maintaining the present systems to achieve a complete one-nation-one-state system. [passage omitted]

[Hwang] The people's complaints against the import of foreign farm products have recently grown higher. The import of foreign agricultural products has serious effects on the overall national economic order. How will you solve the problem between the people's sentiments and economic realities?

[Kang] What we should perceive together in connection with the question of opening our market is that the idea of refusing to buy products from other countries while selling our own goods does not work any longer in the international community. We should open our market to urge the other sides to open their markets.

Fortunately, most of the farm products we are importing are stock feed, wheat, and sugar, against which we are not competitive at all. We will have to expand the import of other products besides them in the future.

The expansion of imports is aimed at gaining something greater. Therefore, the government is working out measures to compensate farmers for their loss as a result of the expansion of imports. To guarantee reasonable compensation, the government is studying what items to which it should apply a new compensation system, in what way it should compensate farmers, and where it secures the source of financial assistance.

No Tae-u To Talk With Opposition Leaders

SK0902010089 Seoul THE KOREA TIMES in English
9 Feb 89 p 2

[Text] Following a meeting with Kim Yong-sam Saturday, President No Tae-u is likely to have exclusive talks with the two other opposition leaders, Kim Tae-chung and Kim Chong-pil, next week to sound out their positions on a broad spectrum of issues and turn to what he describes as future-oriented politics.

Ruling party floor leader Kim Yun-hwan told reporters yesterday that No would meet Kim Yong-sam, leader of the Reunification Democratic Party [RDP], over lunch Saturday.

The RDP president suddenly proposed a meeting with No during his trip to Japan last Friday apparently in a bid to overcome his party's inferior status to Kim Tae-chung's Party for Peace and Democracy [PPD] and take the initiative in solving current political issues.

The two other opposition leaders are foreseen accepting the ruling camp's earlier proposal for exclusive talks and the meetings are expected to be arranged on their arrivals home from overseas trips early next week.

A series of meetings were held last August at the request of Kim Chong-pil of the third opposition New Democratic Republican Party.

Their tete-a-tetes, the first in six months, if held, will largely focus on the problem of Chon Tu-hwan, still a lingering pain for his successor, and a mid-term appraisal, one of the most thorny agenda items for the No administration.

Observers, however, see there is just a slim chance of compromise because of wide disparity of views on the matters, crucial for both sides.

The ruling camp is out to put the lid on the one-year-long controversy over Chon's legacy with the indictment of dozens of Chon's deputies and legislation to compensate the victims of Kwangju incident in a parliamentary session to be convened Monday.

It will portray the meetings between No and Kims as a symbolic ceremony for an end to the disputes. It informally proposed meetings last November only to be rejected by the oppositionists.

No is likely to explain on-going inter-Korean developments and his ambitious "northern policy" featuring bold appeasement overtures toward Pyongyang and its superpower allies Moscow and Beijing, persuading the opposition leaders to stop political strife which he views as a waste of nation strength.

Even if his persuasion fails, the process seems necessary to display his efforts to cool down the disputes before his similar plea to the people, observers said.

DJP [Democratic Justice Party] floor leader Kim and secretary general Yi Chong-chan have recently asserted the need for a vote of confidence in which the people will be asked to judge No's work on the eradication of Chon's diverse vestiges, though this he has tacitly declined.

No is sure to listen to opinions of the opposition partners on the mid-term appraisal.

Kim Yong-sam demands a confidence vote and Kim Tae-chung calls for local council elections prior to the assessment whereas the moderate Kim Chong-il maintains that No's five-year tenure should not be affected by the result, what ever form it takes.

Kim Tae-chung is believed to worry that his PPD, as the largest opposition force, would be most severely damaged in case of No's victory. He is also concerned over the possibility of a public demand for the assessment of the three Kims.

Actually DJP chairman Pak Chun-kyu insisted that they should be subject to the people's judgment again along with No.

The PPD president thinks it advantageous to the opposition to hold No's interim assessment after the takeover of a large part of local administration through local council elections, according to party insiders.

Kim Yong-sam, in the meantime, is trying to show off his moderate image and take the lead in negotiation with the ruling camp on the basis of his party's growing popularity thanks to RDP lawmakers's outstanding activities in recent Assembly hearings, televised live nationwide.

Even if No wins the vote, Kim, 60, the youngest of the three opposition rivals, will wait for a next ballot, slated for late 1992 under the Constitution.

Kim Chong-il is making the most of his party's "casting vote" role in the four-party system under which neither the 125-seat DJP nor the hard-line PPD and the RDP can achieve a working majority at the 299-member House without support of his 35-seat party.

The three opposition leaders will, however, intensify their drive for the introduction of a special prosecutor system for the probe of misdeeds committed under Chon's eight-year rule to inflict an adverse impact on the No administration.

No To Meet Kim Yong-sam for Private Talk
SK0802045689 Seoul THE KOREA TIMES in English 8 Feb 89 p 2

[Text] An exclusive talk between President No Tae-u and Reunification Democratic Party [RDP] president Kim Yong-sam is expected late this week to deal with key political issues including the interim assessment of the President's performance.

Informed sources said yesterday that President No will accept the RDP president's suggestion for the talks to be followed by meetings with Kim Tae-chung of the Party for Peace and Democracy and Kim Chong-pil of the New Democratic Republican Party, when they return home from their overseas trips.

RDP president Kim suggested the exclusive meeting with No while in Japan at the invitation of the Japan Socialist Party.

Kim Tae-chung and Kim Chong-pil are currently visiting European countries and the United States, respectively.

The separate talks between the President and the three opposition leaders will be like litmus tests for the solution of key issues over which the rival camps are in sharp dispute.

The bone of contention, among them, is the liquidation of evil legacies of Chon Tu-hwan's Fifth Republic against which the three opposition parties have called upon the President to take bold measures.

Aides to Kim Yong-sam told reporters yesterday that the RDP president will emphasize that those key issues cannot be solved without "resolute" measures by President No in the forthcoming talks.

Opposition Denounces Talks

SK0802065589 Seoul THE KOREA TIMES in English
8 Feb 89 p 2

[Text] The Party for Peace and Democracy and its opposition rival, the Reunification Democratic Party, exchanged verbal attacks yesterday over the subject of exclusive talks between President No Tae-u and RDP leader Kim Yong-sam.

RDP secretary general So Sok-chae expressed his displeasure over the remarks made by senior deputy PPD president Mun Tong-hwan downgrading RDP president Kim's move to meet No.

Following Kim's suggestion last Friday, Mun told reporters, "I hope that his move is not designed to join Chongwadae in its secret diplomacy (toward North Korea and Communist countries)." Mun was apparently referring to reported secret contacts between a close aide to President No Tae-u and his northern counterpart for inter-Korea dialogue.

Mun then expressed his curiosity over whether Kim is seeking to realize his Pyongyang visit with Chongwadae's help.

"The Chongwadae talks should not break up opposition unity," the senior deputy PPD president said.

"It is impudent for a senior opposition politician to dispute a suggestion made by the president of the other opposition party," the RDP secretary general said denouncing Mun.

So went on, "An argument over the exclusive talks alone will damage opposition unity."

NDRP Complains About Meeting

SK0902020089 Seoul THE KOREA HERALD
in English 9 Feb 89 p 2

[From the "Out and About" column: "NDRP's Complaint"]

[Text] The minority opposition NDRP [New Democratic Republican Party] expressed its displeasure with Kim Yong-sam for his failure to consult with their party on his scheduled meeting with President No Tae-u.

"If Kim has really decided to meet No individually, as reported, he should have at least sought our opinion on the matter in advance," NDRP secretary-general Choe Kak-kyu said.

Similar blame should go to the ruling party for not notifying the other opposition parties of the No-Kim meeting, Choe said.

Another high NDRP official said that RDP president Kim should have refrained from embarrassing his colleagues with whom he has vowed to make a united front against the ruling camp.

Commenting on news reports that No also planned to meet the NDRP president Kim Chong-il directly after Kim's return home from his U.S. trip, NDRP officials said that such a meeting is a matter on which Kim himself should decide.

NDRP Says DJP Ignores Public Opinion

SK0802060589 Seoul THE KOREA HERALD
in English 8 Feb 89 p 2

[From the "Out and About" column: "Public Opinion"]

[Text] The opposition NDRP accused the ruling DJP of disregarding public opinion on the issue of appointing a special prosecutor for the investigation of charges of irregularities during ex-President Chon Tu-hwan's rule.

"If the ruling camp exercises a presidential veto power (against a possible introduction of a special prosecutor by the opposition), it will face a massive, negative public reaction," party spokesman Kim Mun-won said.

He also charged ruling party Chairman Pak Chun-kyu with "being illogical and unjustifiable" in demanding that public confidence in the opposition be also tested during President No Tae-u's midterm appraisal.

Meantime, party floor leader Kim Yong-chae said he hopes that the special prosecutor will be appointed by the President after a recommendation by the Korean Bar Association.

Statistics Published in 1988 Prosecution Yearbook

SK0902012489 Seoul THE KOREA TIMES in English
9 Feb 89 p 3

[Text] A total of 3,549 persons were indicted on charges of violating the Laws on Assembly and Demonstration from 1968 to 1987, it was learned yesterday with the publication of the 1988 Prosecution Yearbook.

The prosecution's record for the past two decades showed that 53 percent of the 6,701 persons held in police and prosecution custody for investigation in connection with violations of Laws on Assembly and Demonstrations were put on trial.

The number of those violating the Laws on Assembly and Demonstration sharply increased by up to 2,480 in 1986 at a time of the massive arrest of more than 200 students who were staging a sit-in protest while occupying school buildings at Seoul's Konguk University in November.

Only seven were charged with violating the law in 1976 which was the high point of the autocratic Yusin reform system under former ruler Pak Chong-hui.

The eight-year-rule of former president Chon Tu-hwan produced 5,645 offenders, or 84.2 percent of the total of 6,701 persons booked on charges of violating the controversial law which dissidents and opposition political parties have demanded be abolished.

Out of the 5,722 offenders of the National Security Law, 3,805 persons or 66.5 percent, were charged. The National Security Law, which replaced the Anti-Communist Law in 1980, has been the target of criticism by dissidents because of its "McCarthyistic" law enforcement.

The yearbook, however, showed no statistical study on National Security Law offenders between 1980-83 when law enforcement authorities wielded the prosecution jurisdiction to clamp down on dissident leaders and student activists on a larger scale.

Compilers of the yearbook at the Prosecutor General's Office said there were no reference materials available on the number of National Security Law offenders for the four years.

The yearbook also did not contain any record on the number of persons who had been held in "preventive custody" for the four years since 1980 when the law on preventive custody by police was legalized.

Neither did it contain the number of detainees at the "Samchong" reeducation military camps in the early 1980s.

Meanwhile, the number of crimes committed by foreigners has shown a slight drop for the past two decades, from 3,354 in 1968 to 1,576 in 1987, the yearbook showed.

But, the Americans' crime rate, including U.S. military servicemen, rose more than three fold from 304 in 1968 to 1,171 in 1987.

In 1987, the crime rate of Americans took 74.3 percent of that committed by foreigners residing or travelling in Korea.

During the 20 years, there have been a total of 44,819 cases of foreigners' crimes. Of them, 11,729 cases were committed by Americans, 4,488 by Chinese and 498 by Japanese.

As for crimes committed by Japanese, there are no records from 1971 to 1982. Since 1983, however, 491 Japanese crimes took place in the last five years.

Americans' crimes for the 20 years break down into 2,660 cases of road traffic violations, road traffic 2,558 connected with crimes of violence and 1,191 in traffic accidents.

Liberalization of Interest Rates Considered
SK0902024489 Seoul YONHAP in English
0218 GMT 9 Feb 89

[Text] Seoul, Feb. 9 (YONHAP)—To promote deregulation of its financial market, South Korea will consider liberalizing interest rates on deposits, Finance Minister Yi Kyu-song said Thursday.

Yi said the government is studying enforcement of liberalization of deposit rates and increase lending rate liberalization, begun last December, adding that the market rate has been stable since lending rate liberalization began.

To speed up decontrol of the financial market, the government will establish a task force of officials from the Finance Ministry, the Office of Bank Supervision and Examination and financial institutions, Yi told a meeting hosted by the alumni association of the Advanced Management Program (AMP) of Seoul National University.

"The government will meet various demands for financing by reasonably adjusting the operations of financial institutions based on fiscal deregulation," he said. "To cope with planned financial internationalization, it will allow financial institutions to expand their operations."

He said the government will instruct financial institutions to stabilize the structure of their assets by capital increases and early repayment of unfavorable loans as well as increasing the responsibility of management to prevent any adverse effects from decontrol and deepening competition. It will also study introducing an insurance system to protect depositors, he said.

"The government will develop short-term financial institutions into special mediators such as brokers and dealers to rationalize capital flow among financial institutions or among financial markets," he said. "It will also upgrade the call market into a highly developed market where banking and non-banking institutions can participate and will find the basis of smooth open market operation."

Fair Trade Commission Upgrade Planned
SK0802054989 Seoul THE KOREA TIMES in English
8 Feb 89 p 2

[Text] The government is seeking to drastically strengthen the function of the Fair Trade Commission to ensure fair trade order in all commercial transactions.

For this, the government plans to upgrade the commission, now an advisory apparatus under the economic planning minister, to become an independent administrative organ.

Under a plan of the Administration Reform Committee at the premier's office the commission will be given quasi-judicial power, it was learned yesterday.

The envisioned reinforcement of the commission's function was triggered by controversy over the organ's "weak power" against those who commit unfair deals.

The commission has been a target of people's criticism as it failed to file complaints against leading department stores in Seoul, which were found to have deceived consumers through habitual fraudulent bargain sales.

New Daily Outlines Reporting Aims on First Day
SK0402002389 Seoul SEGYE ILBO in Korean
1 Feb 89 p 1

[Editorial: "We Pledge To Be a Legitimate and Upright Paper"]

[Text] After nearly a year of preparations SEGYE ILBO, which will be a guide for the 21st century along with the world, puts out its first issue today.

Most significant is that now is a historical period of great revolutionary changes that reveals in full view an opening of a new era and the end of an old era. A struggle for democratization, opening, and reunification is now sweeping through the country, while a whirlwind of changes that signals an arrival of the Asia-Pacific era is swirling around in the international community.

Precisely such a situation requires that we ask ourselves time and again: what is right and what is wrong, what should we safeguard and what should we abandon, and where can we find a straightforward path to march on?

SEGYE ILBO, which makes its debut today, is a true newspaper that corresponds to such historic demands and we would like to pay meaningful tribute to its inauguration.

In retrospect, we have cultivated and defended the 5,000 years of our proud history. In the process, however, we have been inordinately intimidated and we had to withstand too long a period of suffering.

Nevertheless, we have already begun moving toward the center of global history, just as we ourselves and others have admitted. There is no question that the Asia-Pacific era, the 21st century, is an era in which we will have to play the leading role on our own initiative.

In all sectors, such as political, economic, and social fields, we are pushing ahead with democratization based on the liquidation of the legacy of the long authoritarianism and our country has not only broken itself away from the burden of staggering foreign debt, but also has joined the ranks of countries that post trade surpluses with other countries.

Of course, we do not mean to say that we have managed to settle all of our society's internal feuds and frictions or that we have overcome contradictions. Rather, we are well aware of the fact that big strides in development and growth can lead to even greater numbers of feuds and contradictions.

Those in politics cling fast to their opportunistic sense of moral obligation while paying lip service to the need to democratize society. Intoxicated by statistics indicative of high growth, they take no notice of the demand of the isolated sectors. Destructive relations have opened deep wounds between men and other men and between men and their environment.

Such a situation stems in principle from our lack of correct sense of values and codes of conduct corresponding to it. This is why we are desperately in need of a sense of values by which we may focus on tomorrow rather than today, on the world rather than ourselves, on primary matters rather than peripheral affairs, on the essence of things rather than what meets the eye, and by which we may pursue lasting things.

No era or society can be free from feuds. In a sense, history can be said to be a process of overcoming feuds and of creating new feuds. What is indisputably obvious is that it is none other than the silent majority that has been behind the dynamic development of society, just as saying goes: The voice of people is the voice of God. It was none other than the modern press in the West that has translated this silent majority into the mainstream force of civil society. The modern press has been at work to make the will and thought of this silent majority felt as public opinion and then to turn public opinion into the energy that fuels social development.

One century has passed since the modern press was born in this land. However, our press of today has led a comfortable life as a companion of the history of distortion. Our press is today faced with an urgent situation in which it should be born anew for a new start. Herein lies the reason for the inauguration of SEGYE ILBO as a "new newspaper of the new era" which will correctly undertake the responsibility of the press.

In this sense, we now make public first of all that SEGYE ILBO has been born as an orthodox newspaper. We have established such great aspects of the heritage of mankind as democracy, enlightenment, and pacifism—which are the traditional system of values in the society of mankind—as our ideological basis. Therefore, we infinitely

emphasize the freedom of the press and treasure its value. However, along with this, we will make more efforts to carry out the responsibilities of the press.

Next, we make it clear that SEGYE ILBO is an independent newspaper. The press must speak for truth and must become a social conscience. Aside from the mere reporting of objective facts, we will reveal all facts for our readers with a value-oriented will and without distortion. This is because the press should assume indefinite responsibility before truth.

Therefore, we will reject not only opportunism and demagoguery, but also defeatism and radical adventurism. We will extricate ourselves from arrogance and bias and will transcend the interests of specific political parties, religions, races, provinces, and other social strata.

The recent situation on the Korean peninsula and its surrounding area is changing very rapidly. Contact between the North and the South is being developed in many fields. Peacefully reestablishing national community between North and South Korea is to advance the era of Asia and the Pacific, to play the leading role in this region, and to open a chapter of reconciliation between North and South Korea and between the West and the East.

SEGYE ILBO will make efforts for national reunification, regarding it as a global task. Thus, SEGYE ILBO will become a future-oriented national newspaper without fail.

SEGYE ILBO will become an international newspaper as indicated in its name. The world is today moving toward an open-door trend. We are now making efforts to seek happiness and to foster our own independent strength that can contribute to world peace. We are making efforts for world peace on the Korean peninsula in which the strength and interests of the four powers, namely, the United States, Japan, China, and the Soviet Union, are being concentrated.

To actively cope with such a rapidly changing international situation SEGYE ILBO will carry more information on the global villages and more discerning commentaries on both domestic and international affairs for its readers.

SEGYE ILBO will develop as an international newspaper by covering news from every corner of the world and even future aspects of science and technology.

Today SEGYE ILBO has taken its first leaping step toward the future together with the nation and the world. SEGYE ILBO declares once again that it willingly not only assumes the role of educating the nation and creating a new world of culture, but also will become a dignified, orthodox newspaper which traverses the genuine road of the press.

Burma

Journalists Meet Khin Nyunt, Election Officials

BK0802145589 Rangoon Domestic Service in Burmese
1330 GMT 8 Feb 89

[Text] At 1500 today Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] of the Union of Burma, received Mr (Yoshikazu Mikami), correspondent of the AFP Tokyo Bureau, and Ms (Barbara Aldrich), economic correspondent of the Tokyo Bureau for the FRANKFURTER ALLGEMEINE newspaper, at the Dagon House of the Ministry of Foreign Affairs.

Present at the meeting with Brig Gen Khin Nyunt was U Ohn Kyaw, director general of the Department of Political Affairs of the Ministry of Foreign Affairs.

Earlier, at 1030, the journalists called on U Ba Htay, chairman of the Commission for Holding Democratic Multiparty General Elections, and commission members U Saw Kyar Doe, U San Maung, Saya Chai, and U Kyaw Nyunt at the commission's office at No 94, Natmauk Road, Bahan Township, Rangoon.

U Aye Maung, commission secretary, was also present at the meeting.

In response to queries by the journalists regarding progress in the work of the commission, the commission chairman and members said their work today was different from the election preparations in the pre-1962 period. This is because in addition to officials who were experienced in the handling of elections then, there was also a state constitution and an elections law to work with at that time. Today, although we are to hold multiparty general elections as opposed to single-party elections, we have no ready-made elections law. In addition, we also cannot work in accordance with the stipulations of the previous state constitutions. As elections cannot be held with the elections law and by-laws, we are drafting the election law taking into account the present times, the 1947 Constitution, the 1948 Elections Law, the 1976 People's Assembly and People's Council Elections Law, as well as by studying the elections laws of some democratic nations.

In addition, there are also plans to form subcommissions with experienced public service personnel and local elders respected by the people so that these subcommissions can work on elections in the regions on behalf of the commission. Our commission, they said, is working on the elections according to the plans.

The commission chairman and members also gave frank and friendly answers to other questions raised by the journalists.

Opposition Demands Setting of Election Date

BK0802150589 Hong Kong AFP in English 1458 GMT
8 Feb 89

[Text] Rangoon, Feb 8 (AFP)—An opposition party supported by Burma's last freely-elected leader called Wednesday on Burmese political groupings to withdraw their registration if the ruling junta failed to set a date for multiparty elections.

It was the second time since December that the League for Democracy and Peace (LDP) had urged the military to set a date for elections.

LDP General Secretary U Than Sein said the party leadership had drafted a letter to the government saying that if the junta ignored its appeal it would have no alternative but to withdraw registration with the elections commission.

Mr Than Sein said the LDP had invited other parties to sign the letter to be sent to Rangoon's military leader General Saw Maung on February 15, adding that at least a dozen parties had responded favorably.

The party is patronized by former Premier U Nu who was toppled in 1962 in a coup led by General Ne Win.

The military seized power in a coup on September 18, cracking down on a mass popular pro-democracy movement but promising elections once law and order were restored.

More than 180 political parties have registered with the elections commission to date.

A first letter sent by the LDP to Gen Saw Maung on December 12 asking for elections before April 30 this year at the latest was ignored, Mr Than Sein said.

More Insurgents Surrender During January

BK0902040389 Rangoon Domestic Service in Burmese
1330 GMT 8 Feb 89

[Text] More members of insurgent organizations who have come to realize their wrongdoing have been surrendering along with assorted weapons and ammunition at various military camps. The following surrenders were reported during January:

Eastern Military Command: Private Ai Soe of the BCP [Burma Communist Party] Mawhpa unit surrendered with an M-22 automatic rifle at (Nangkaw) Garrison, while Pvt San Aye of the SURA [Shan United Revolutionary Army] surrendered with an M-16 automatic rifle at Kunhing garrison.

Northern Military Command: Lance Corporal Kyalong Khalong from the 3d KIA [Kachin Independence Army] Regiment's Wa Hills camp surrendered with a carbine at (Wien) Garrison.

Southeast Military Command: Pvt Gawrakha from the KNU [Karen National Union] 2d Column surrendered with one AK-47 automatic rifle at Thayagon garrison, while Pvt Sein Win from Kyanchaung village defense force surrendered with one M-16 automatic rifle at Kyaikto Garrison.

Brunei, Malaysia & Singapore

Malaysia

Ghaffar Baba Assumes Prime Ministerial Duties
BK0902065989 Kuala Lumpur BERNAMA in English
0650 GMT 9 Feb 89

[Text] Kuala Lumpur, Feb 9 (OANA-BERNAMA)—Deputy Prime Minister Ghaffar Baba has assumed the duties of prime minister and two other ministerial portfolios held by Dr Mahathir Mohamed, who is recuperating after a coronary bypass operation, the government said in a statement Thursday [9 February].

Ghaffar himself is also the minister for national and rural development.

Dr Mahathir, who was discharged from a government hospital on Feb 5 after undergoing the operation on Jan 24, is now resting at home.

Vietnamese Boat People Land in Terengganu
BK0702150189 Kuala Lumpur Domestic Service
in Malay 1430 GMT 7 Feb 89

[Text] In Kuala Terengganu, a vessel carrying a boatload of 276 illegal Vietnamese boat people landed at Batu Buruk coast yesterday. With this new arrival, the number of illegal Vietnamese immigrants has increased to 474 this year.

In Kuala Terengganu, an official from the task force coordinating headquarters for illegal Vietnamese immigrants said the illegal Vietnamese immigrants had been transferred to a temporary camp at Kampung Kelulut in Marang before processing them at the Pulau Bidong holding camp.

Singapore

Hong Kong-Based Review Journalist Denied Entry
BK0902055289 Singapore THE SUNDAY TIMES
in English 5 Feb 89 p 9

[Text] A Hong Kong-based correspondent of the FAR EASTERN ECONOMIC REVIEW, Mr N. Balakrishnan, was not allowed into Singapore when he flew in with his wife on Friday [3 February].

Mr Balakrishnan, 34, was stopped at Changi Airport on arrival from Hong Kong with a visa issued by the Singapore [High] Commission there.

His Singaporean wife, Madam Chew Kheng Suan, was allowed in. He flew back to Hong Kong the same day.

An Indian national, Mr Balakrishnan worked here for six years, including a stint as a journalist with THE STRAITS TIMES.

He moved to the REVIEW post last November and has since been responsible for most of its Singapore coverage.

The Immigration Department confirmed yesterday that he was denied entry.

Cambodia

National Assembly Session Continues in Phnom Penh

Ministry Reports 1988 Returnees
BK0802132589 Phnom Penh SPK in French 1117 GMT
8 Feb 89

[Text] Phnom Penh, 8 Feb (SPK)—In 1988 the number of returnees throughout the country increased by 10.17 percent compared with 1987. This was revealed by a Defense Ministry report presented to the 16th session of the National Assembly on Monday [6 February] afternoon.

Of this number, the report said, 1,000 were recorded during the new year and 1,300 others during the traditional festival of Phchum Ben. This is a result of the active participation of local authorities, mass organizations, and the local population—particularly the bonzes, women, teachers, and students—who have made active contributions to the movement of proselytization among the men in the enemy ranks.

Among the returnees were 110 officers, including 5 division commanders, 10 regiment commanders, 9 battalion commanders, 27 company commanders, and 59 squad and platoon chiefs.

The provinces of Siem Reap, Banteay Meanchey, Kampong, Kompong Chhnang, and Kompong Thom led the list in the proselytization campaign, particularly the districts of Stoung, Kompong Svay, and Sandan, Kompong Thom Province, with 100 returnees each.

Since the promulgation of the policy of national reconciliation in August 1987, the revolutionary power has welcomed back nearly 7,000 returnees, thus bringing the number of returnees to 22,530 since the creation of the proselytization committee in 1984 and to more than 43,110 since the liberation of the country in 1979.

Meets Morning of 9 February
BK0902051189 Phnom Penh Domestic Service
in Cambodian 0430 GMT 9 Feb 89

[Text] The 9 February morning session of the PRK first National Assembly's 16th session went on busily and vigorously from 0700 as planned on the agenda.

During the debate, a number of the National Assembly members, such as Comrade Hun Sen, Assembly member for the Kompong Cham constituency; Comrade Khieu Kanharit, Assembly member for the Kandal constituency; Comrade Chheng Phon, Assembly member for the Kompong Cham constituency; Comrade Mi Samedi, Assembly member for the Phnom Penh constituency; Comrade Vandi Ka-on, Assembly member for the Battambang constituency; Comrade Ung Phan, Assembly member for the Prey Veng constituency; Comrade Thao Saran, Assembly member for the Prey Veng constituency; and Comrade Chan Ven, Assembly member for the Phnom Penh constituency, spoke about a number of relevant issues. The audience provided a number of views full of constructive spirit daring to speak the truth frankly at the meeting. These views very much impressed the entire Assembly which discussed them in detail.

The session adjourned at 1100 and will resume this afternoon.

State Council Presents Report

BK0902084889 Phnom Penh SPK in French 0426 GMT
9 Feb 89

[Text] Phnom Penh, 9 Feb (SPK)—The Council of State of the PRK estimates that by 1990 the socioeconomic situation in the country might reach the level of the pre-war period.

In a report presented to the 16th session of the National Assembly, Chan Ven, secretary general of the Council of State, revealed that in 1988 many socioeconomic policies were published to improve and supplement the system of socioeconomic management.

During the last rainy season, he went on, thanks to the early arrival of the monsoon, the harvest was faster than the previous year. The cultivated area represents 98.02 percent of the annual plan with a yield of 1.44 metric tons per hectare.

Industrial crops, which regressed somewhat not long ago, have taken a big leap now; they have fulfilled their role of suppliers of raw materials for industry and export.

The livestock herd has risen to approximately 2,598,000 head, but the herd has not yet been evenly distributed throughout the country, which means that some regions are short of draft animals.

The area of rubber plantation has reached 97 percent of the annual plan. The production of crepe is 91.31 percent of the annual plan.

Timber production exceeds the annual plan, and timber exports now reach 106,590 cubic meters.

The fish catch is over 82,090 metric tons, or 91.21 percent of the annual plan.

In 1988 our receipts exceeded by 110 percent the plan adopted by the National Assembly, that is: the receipts provided by state enterprises represent 132 percent of the plan; fiscal receipts represent 141 percent of the plan; patriotic contributions represent 98 percent; and the receipts from the country's exports represent 86 percent....

So far economic management has improved gradually in conformity with the development of the force of production. What is remarkable is that we have begun to broaden the rights of self-management of factories and enterprises in the production, exploitation, and distribution of goods.

In the cultural, educational, health, and social fields at present, some services are more developed than they were under former regimes. The national cultural values have been restored; mass artistic activities are blossoming everywhere; the general education structure is improving; illiteracy has been eliminated; the mortality rate has dropped; the education and care of orphans and the handicapped and the implementation of the policies toward the families of active and dead soldiers, the invalids, and returnees have been accorded great consideration and perfected in a most convenient way.

Taking this opportunity, the Council of State praises the Council of Ministers which has distinguished itself in leading and managing all fields with satisfying results.

The year 1989 is the key year for the implementation of the socioeconomic restoration and development program of our first 5-year plan. The party and state have set the objective of promoting agricultural production, considering it as the principal front with foodstuffs, rubber, timber, and fishing as the major spearheads. Since 1986, we have been doing our best to develop agriculture so as to turn it into a solid basis for the national economy; moreover, we have made efforts to promote the production of consumer goods, exports, and the practice of thrift in order to gradually surmount imbalance between production and consumption, between export and import, and between the receipts and expenses of the state budget. Lastly, the party and state have decided to create another form of economy, that is the joint state-private economy, and we are conducting studies to modify and add many politico-economic objectives, in conformity with the prevailing situation of the country and the aspirations of the people. These objectives will be aimed, for example, at the solidarity of production, the management and utilization of agricultural lands, the peasants, transport...to bring an end to the misery and raise the living standards of our people.

Thanks to our new adequate measures and to the perseverance of our people, thanks to the initiative and sense of responsibility of the cadres at all levels, we hope that in 1990 we will succeed in bringing our socioeconomic situation to the level of the pre-war period.

Afternoon Session Held

*BK0902120089 Phnom Penh Domestic Service
in Cambodian 1100 GMT 9 Feb 89*

[Text] The 16th session of the first National Assembly enthusiastically resumed its work at 1400 this afternoon according to the agenda.

All National Assembly members took part in a thorough discussion of the reports heard so far. In particular, Comrade Pen Navut, National Assembly member for the Battambang constituency; Comrade Thong Khon, National Assembly member for the Phnom Penh constituency; Comrade Soy Keo, National Assembly member for the Kratie constituency; Comrade Yit Kimseng, National Assembly member for the Kompong Speu constituency; and Comrade General Tie Banh, National Assembly member for the Kompong Thom constituency, took the floor to explain and clarify issues concerning a number of ministries concerned, as well as to provide many constructive views. They did not hesitate to put the facts forward in a straightforward manner and tell the truth to the session. The National Assembly was very impressed by their views, and discussed them in detail.

The session adjourned at 1700 and will resume tomorrow.

Editorial Praises Recent KPRP CC Plenum

*BK0802091589 Phnom Penh Domestic Service
in Cambodian 2300 GMT 7 Feb 89*

[PRACHEACHON editorial: "A New Force and the Spirit of Self-Reliance"—date not given]

[Text] The eighth plenum of the Kampuchean People's Revolutionary Party [KPRP] Central Committee was held in the joyous atmosphere in which the entire party, Armed Forces, and people had just welcomed the 10th anniversary of the 7 January national victory. This success clearly reflects the position of strength and victory of the PRK and the people's firm confidence in the new regime, particularly the party's clear-sighted, astute, and correct leadership.

This session was an enlarged one with the participation of comrade ministers and representatives of important establishments. This further expands the principle of centralized democracy and increases the internal unity of the party Central Committee in its assessment of the situation of the Cambodian revolution in 1988 and in setting targets for important tasks to be organized and implemented in 1989. The past 10 years' development of the PRK in the political, military, economic, and diplomatic fields is a historic victory of the Cambodian revolution, initiated by the all-out efforts of the party, the armed forces, and the people, in combination with the indispensable international solidarity, particularly with Vietnam, Laos, and the socialist countries with the Soviet Union as the main pillar. However, the final victory was determined by the Cambodian people.

Following the seventh troop withdrawal of the Vietnamese volunteer army, involving 50,000 Vietnamese experts and troops, the enemies considered it a good time to rally their forces and try to attack us from the flanks to secure backup points along the border aimed at launching a guerrilla war in the country, setting up hidden forces among the people, hiding weapons and awaiting an opportunity to take over people, villages, and communes, and implementing the policy of destroying two and building four. However, through constant revolutionary vigilance, our people have surrounded the enemies, smashed and uncovered them, cutting off their supplies, and combing forests to find and bring weapons and ammunition to our revolutionary state authorities. This has seriously demoralized the enemy troops. A large number of them have surrendered with their weapons and have returned to their families. The strength of our Cambodian revolution has been constantly consolidated and increased. The revolution's own forces are enjoying a position of strength and victory and are assuming themselves the task of defending the motherland and revolutionary gains and of further transforming and developing the national economy. Along with this, the educational, cultural, social, public health, and other sectors have also been making progress.

The party Central Committee's session unanimously considered 1989 as a key year in which Cambodia's own forces have to assume the task of defending the motherland and the revolutionary gains and building and improving the PRK regime. In 1989, particularly in the 1988-89 dry season, we must continue to maintain the position of strength and victory. We have great potentials in quickly moving toward winning final victory. In the current situation, we consider the battlefield along the border as the key battlefield and the one inside the country an important battlefield with a strategic character in the long run. The two battlefields should be closely linked. We are strengthening the position of being the master and are firmly defending every backup point along the border and are determined to smash enemy maneuvers attempting to set up two areas under two authorities along the border. We should pay attention to stopping the enemy from bringing material into the country. We should uncover hidden enemies, particularly the ringleaders, so as to thwart the enemy's maneuvers of destroying two and building four.

The entire party, armed forces, and people should continue to build and strengthen regional and militia forces and rely on these forces to fill up the regular forces. We should be prepared to dispatch regional force units to take part in activities or joint operations outside their areas. We should continue to pay attention to the task of providing weapons and supplies to the army and militia forces in sufficient quantity and on time. We should expand the people's police force, particularly the armed intelligence force, to contribute to carrying out attacks to defend bases along the border and at sea. We should continue to build and consolidate villages and communes, promote revolutionary spirit, and nurture anger against the enemies. We

should heighten the people's spirit of being the master and promote the building of localities, with party chapters being the first to be built. We should build and strengthen core groups at every level and in every sector. This is a key task with decisive significance for the success of revolutionary tasks. We should contribute to improving the party's lines. We should continue to make changes, improve, and fill up the ranks of core cadres in important establishments. To improve these cadres in provinces and municipalities, regional party congresses should be held. However, we should not just count the number of institutions without considering the quality of cadres. We should continue to vigorously promote the four economic spearheads, particularly the production of foodstuff and rubber; double the efforts to protect and preserve forests and check exploitation; preserve and protect fish sources; increase economic administration in accordance with the real situation of the land and the new situation of the revolution; create constructive conditions and use to the maximum the five types of economies; effectively implement resolutions on state administration of the economy; and improve and raise the standard of cultural and public health education aimed at stabilizing and gradually improving the material and moral standards of the people.

In the new situation, revolutionary tasks require new demands. Our revolution is advancing and, as the great Lenin said, a revolution is worthy only when it can defend itself. We firmly preserve the Cambodia-Vietnam special militant solidarity and the unity around the party; use all combined forces, measures, and means; continue to expand potentials and past good experiences; and successfully implement every political task. We will not waver before new difficulties and trying experiences and will not be uncertain about our path ahead.

Sar Kheng Chairs Congress in Banteay Meanchey
*BK0902072989 Phnom Penh Domestic Service
in Cambodian 0430 GMT 9 Feb 89*

[Excerpt] On the morning of 7 February, the party committee of Banteay Meanchey Province held the first regional party congress under the chairmanship of Comrade Sar Kheng, alternate member of the Political Bureau of the party Central Committee and chef de cabinet of the party Central Committee. Also present were delegates from the Organization Commission and Propaganda and Education Commission of the party Central Committee, delegates from the regional parties in Siem Reap-Oddar Meanchey and Battambang Province, and 103 full members representing eight regional parties in the provinces.

Opening the congress, Comrade Um Sarit, member of the Banteay Meanchey Provincial Party Committee, highly valued the all-round development achieved by the province in the past, particularly in the task of building armed forces and real revolutionary forces politically, ideological, and organizational. [passage omitted]

Excerpts of PRC-USSR Statement on Cambodia
*BK0902023289 (Clandestine) Voice of the National Army
of Democratic Kampuchea in Cambodian 2315 GMT
8 Feb 89*

[“Excerpts” of PRC-USSR joint statement on the Cambodian problem]

[Text] On 5 February, the Chinese and Soviet foreign ministers issued a joint statement on a political settlement of the Cambodian problem the contents of which are as follows:

1. China and the Soviet Union consider the complete Vietnamese troop withdrawal from Cambodia a pivotal component for a political solution to the Cambodian problem.
2. The two sides express hope that Vietnam will withdraw all its aggressor troops from Cambodia by September this year at the latest and will facilitate other aspects for a political solution to the Cambodian problem.
3. The two sides agree that while Vietnam is withdrawing its troops from Cambodia, all countries involved should effect a gradual reduction of aid to all the Cambodian parties leading to a complete cut-off.
4. China and the Soviet Union call for strict control and supervision over the withdrawal of the Vietnamese aggressor troops from Cambodia. They also hold the view that the United Nations should have a role to play in the process of a settlement of the Cambodian problem.
5. The two sides hold that Cambodia's internal affairs must be resolved by the Cambodian parties on the basis of national reconciliation, free from any outside interference.
6. The two sides agree to continue their discussions on the remaining differences of view on the political settlement of the Cambodian problem.
7. China and the Soviet Union are of the opinion that the settlement of the Cambodian problem will promote the removal of a source of tension in Southeast Asia and will promote a wholesome political situation, as well as the restoration of peace and stability in the region.

International observers noted that the whole world is demanding that Hanoi withdraw all its occupation forces from Cambodia under genuine and effective international control and supervision. They also noted that so far the Hanoi Vietnamese are still playing tricks on genuine and effective international control and supervision. Moreover, they continue to send fresh Vietnamese troops to Cambodia and deploy them along the Cambodian-Thai border and inside the country while hiding others in the jungle. They also keep sending and naturalizing Vietnamese citizens in Cambodia. In early February alone, 4,000 more Vietnamese families were sent in Cambodia. It is wondered why, if Hanoi is sincere

about politically solving the Cambodian problem, it does not accept an international peacekeeping force in Cambodia? Why does it continue to dispatch fresh troops to Cambodia? And why does it keep sending Vietnamese citizens to Cambodia—now numbering nearly 1 million?

If the Hanoi authorities are sincere about providing a genuine political solution to the Cambodian problem, they must accept full responsibility for providing a comprehensive, equitable, and rational political settlement of the Cambodian problem because the Cambodian problem is derived from 10 years of aggression and occupation by thousands and thousands of Vietnamese troops.

Therefore, along with the settlement of the Cambodian problem, the Hanoi authorities must immediately withdraw all their aggressor troops from Cambodia under genuine and effective international control and supervision, especially UN control, as enshrined in Samdech Norodom Sihanouk's five-point proposal for a political solution to the Cambodian problem.

Commentary on National Reconciliation

BK0902002489 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 7 Feb 89

[Station commentary: "The National Reconciliation Cannot Be Implemented Under the Devilish Grip of the Vietnamese Aggressors"]

[Text] The entire Cambodian people—both inside and outside the country—who have suffered immensely, been tragically separated from their families, and have regretfully abandoned their home-villages and even their homeland for 10 years due to the genocide and race extermination implemented by the Hanoi aggressor, are longing to live safely in their Cambodian motherland with peace, independence, sovereignty, and territorial integrity. Moreover, they want to have national reconciliation for the sake of national tranquillity so that they may live harmoniously and coherently defend and rebuild the nation. To achieve a national reconciliation in this sense, the Cambodian people hold the view that:

1. A national reconciliation should offer equality, meaning all the Cambodian parties and people should be provided with equal rights. No one party has the right nor power to dominate the other parties, and not a single person should be discarded from Cambodia's national society.

2. National reconciliation should be based on the new framework of the above-mentioned equality.

The entire Cambodian people as well as the international community—which supports the Cambodian people's just struggle against the Vietnamese aggressors—have earnestly called for national reconciliation through the establishment of a Cambodian interim coalition government consisting of the representatives of the four Cambodian parties and headed by Samdech Norodom Sihanouk. The four-party government would be entrusted

with the duty of administering Cambodia in the transition until general and free elections take place and also with organizing the general elections.

3. National reconciliation should be implemented outside the framework of the Vietnamese aggressors' regime in Phnom Penh, otherwise this would mean that the national reconciliation would be implemented under the devilish grip of the Vietnamese aggressors and their puppets. This is absolutely unacceptable.

The significance and criteria of real national reconciliation are clearly enshrined in Samdech Norodom Sihanouk's five-point peace plan and in his note dated 1 January 1989. However, the Hanoi aggressors, while clamoring that they accept a national reconciliation in Cambodia, reject Samdech Norodom Sihanouk's five-point peace plan with this or that pretext. They dismiss the establishment of a provisional quadripartite coalition government formed on the basis of equality. The Vietnamese aggressors are persisting in their demand for preserving the Phnom Penh regime, which has been propped up by their bayonets and tanks. The Vietnamese aggressors stubbornly want a national reconciliation through the setting up of a commission or a so-called national reconciliation under their devilish grip.

How can a national reconciliation be achieved without equality, independence, or freedom? The Cambodian people hold that the national reconciliation made and offered by the Vietnamese is actually a sham and deceit that they fabricated with the aim of perpetuating their colonialization and occupation of Cambodia forever.

The false Hanoi Vietnamese national reconciliation absolutely cannot be accepted by all Cambodians inside and outside the country because it is created only to put the Vietnamese aggressors' Phnom Penh regime on a legal footing and to definitively legalize their act of aggression in Cambodia. As a result, the Cambodian people will continue to suffer, lose their lives, or be separated indefinitely.

For this reason, the Cambodian people—victims of the acts of aggression, expansion, annexation, and race extermination of the Vietnamese aggressors—would like to appeal to the peace- and justice-loving countries the world over and to friendly countries near and far, which have constantly provided support and assistance to the Cambodian people's just struggle against the Vietnamese aggressors over the past 10 years, to continue their strongest denunciations against the Hanoi authorities and to put even more, constant, joint pressure on them until they are forced to unconditionally and genuinely withdraw all their occupation forces from Cambodia within a specific timetable and under effective international control and supervision.

Only by so doing can true national reconciliation be achieved and the current Cambodian problem, caused by the Vietnamese aggression, be resolved, thereby

restoring genuine independence, peace, neutrality, and nonalignment in Cambodia in accordance with the sacred wish of the entire Cambodian people and the aim of the international community as well.

Vietnamese Said To Settle in Ratanakiri

BK0902033089 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Feb 89

[Excerpt] In mid-January, the Hanoi aggressor authorities sent 1,000 armed Vietnamese families organized into groups, units, and blocks to the Banlung area of Ratanakiri Province. Those settlers menacingly evicted the local villagers from their home-villages and misappropriated their houses, land, and family rubber plantation. [passage omitted]

Laos

Thai Border Delegation Continues Visit

BK0802012189 Bangkok BANGKOK POST in English 8 Feb 89 p 3

[By Suphaphon Kanwirayothin in Vientiane]

[Text] Thai and Lao technical sub-committees under the Joint Border Committee will meet in Bangkok on March 13-14, [Thai] Foreign Ministry deputy spokesman Pratyathawi Tawethikun said yesterday.

Dr Pratyathawi said Treaties and Legal Affairs Department director Prakit Rotchanaphruk will lead the Thai team and Bounkeut Sangsomsak, director of the Lao Foreign Ministry's Second Department will head the Vientiane team.

The Thai delegation, led by Deputy Foreign Minister Praphat Limpaphan, arrived in Vientiane yesterday for a three-day visit.

Mr Praphat met Deputy Foreign Minister Souban Salitthilat, head of the Lao delegation, before calling on Deputy Prime Minister and Foreign Minister Phoun Sipaseut.

Mr Praphat also handed over an invitation from Prime Minister Chatchai Chunhawan for Lao Prime Minister Kaysone Phomvihane to visit Nakhon Phanom on February 17 to attend the annual Phra That Phanom festival.

Mr Praphat also met Somphavan Inthavong, Vice Minister for Trade and External Economic Cooperation in the afternoon.

Apart from the border issue, Thailand and Laos yesterday made satisfactory progress on economic and trade issues.

The two sides agreed to open another border transit point at Chong Mek in Ubon Ratchathani to foster economic cooperation. There are now four border points—Chiang Khong-Huai Sai, Nong Khai-Tha Dua, Nakhon Phanom-Thakhek, and Mukdahan-Savannakhet.

Both sides agreed that there should be more permanent border crossings and temporary ones and the matter is to be further discussed.

Thailand asked Laos to put more ferries into service to Nong Khai, Nakhon Phanom and Mukdahan to facilitate transport of goods.

Mr Souban welcomed an offer by Australia to provide \$45 million for the construction of the Thai-Lao Bridge across the Mekong River. He said after the completion of the bridge he would like to see Thai investments in Vientiane to produce goods for export.

To promote economic cooperation more seriously, the delegations agreed that the Thai-Lao Joint Cooperation Committee should be the mainspring.

On the trade issue, Thailand expressed a wish to see a bigger trade volume between Thailand and Laos. Mr Praphat said Thailand wants to buy more from Laos in addition to electricity from Nam Ngum Dam.

To get assurances on security for investment in Laos, Thailand proposed its draft agreement on promotion and protection of investment. The Lao delegation showed interest in the draft and accepted it for consideration.

The Thai and Lao delegations will continue with the talks on economic cooperation today.

[Bangkok THE NATION in English on 8 February in a page 1 report on the above adds: "Laotian Prime Minister Kaysone Phomvihane will visit Thailand on Feb 17 at Prime Minister Chatchai Chunhawan's invitation, according to senior Thai officials."]

Inspection Committee Formed

BK0802120689 Vientiane KPL in English 0902 GMT 8 Feb 89

[Text] Vientiane, February 8 (OANA-KPL)—Laos and Thailand have separately established an eight-member technical committee for carrying out on-spot inspection in the disputed area of Lao Boten District, Sayaboury Province and Thai Chat Trakan District, Phitsanulok Province. This was disclosed at a meeting of the Lao-Thai Joint Border Committee held here yesterday.

The Lao side at the session was led by Souban Salitthilat, deputy minister of foreign affairs, head of the Lao-Thai Joint Border Committee, and the Thai side was led by Praphat Limpaphan, deputy minister of foreign affairs and head of the Thai-Lao Joint Border Committee.

According to the agreement reached by the two sides, the technical committees of the two countries will meet on March 13-14 in Bangkok, Thailand.

The two sides held that the opening of border points at Houai Sai-Chiang Khong, Tha Naleng-Nong Khai, Thakhek-Nakhon Phanom, Savannakhet-Mukdahan, Sam Tao-Chong Mek are conducive for exchanging trade, cooperation and mutual visits among the people of the two countries. The two sides will discuss the opening of more border points if it is deemed necessary. The local authorities are to mutually agree on cross-border traveling of people living at border areas.

During the cordial talks, the Thai side agreed to help Laos in education, health and other spheres.

Questions relating to taxes, transportation, investment and others were also discussed at the session.

Thai Head Calls Talks 'Successful'

BK0902023189 Bangkok BANGKOK POST in English
9 Feb 89 p 2

[Text] Vientiane—Laos is ready to relax trade regulations to attract Thai investors, Deputy Foreign Minister Praphat Limpaphan said yesterday.

Mr Praphat said the Laotian position was clear during his talks with Vientiane Municipality Administration Committee vice-chairman Kongpheng Southavong, who is also president of Laos' Foreign Trade Co.

Laos, which presently allows the export of only processed wood, also agreed to exchange timber for Thai goods in government-to-government barter agreements.

During the meeting, Mr Kongpheng said investors would get special treatment through a promotion and protection agreement being drafted by both countries, and that four Thai commercial banks will get approval to open in Vientiane.

Already, Laos has eased its laws to lower the tax on foreign investments from 50 percent of the profits to 25-35 percent.

Mr Kongpheng also invited investment in the hotel business in Vientiane. The Laotian capital has nine hotels and they cannot meet all the demand.

The Bangkok-based VSF Co has been granted permission to operate a tourism business in Laos and an aviation service.

Laos is trying to attract foreign investment in agriculture and agro-industrial businesses with a waiver on tax.

The minister described the meeting as successful and said the Laotian side had accepted all proposals raised.

Both sides agreed to allow citizens of each country to travel 70 kilometres from the border on special passes.

Laos also agreed to send a delegation to Bangkok to discuss with Thai officials a Laotian proposal to repatriate 80,000 refugees from Thailand.

Sisavat Keobounphan Meets Thais

BK0902081589 Vientiane Domestic Service in Lao
0500 GMT 9 Feb 89

[Text] His Excellency General Sisavat Keobounphan, chief of LPA [Lao People's Army] General Staff and chairman of Vientiane Capital Administrative Committee, received the delegation of the Thai-Lao joint border committee headed by His Excellency Praphat Limpaphan, deputy foreign minister of the Kingdom of Thailand and chairman of the Thai-Lao joint border committee, in Vientiane yesterday evening.

The meeting proceeded in an atmosphere of friendship and brotherly neighborliness. His Excellency Gen Sisavat Keobounphan and His Excellency Praphat Limpaphan expressed their satisfaction over the visit to Laos of the Thai delegation and highly appraised the success of the establishment of the technical committee for the inspection of the disputed area between Laos' Boten District of Sayaboury Province and Thailand's Chat Trakan District of Phitsanulok Province. His Excellency Gen. Sisavat Keobounphan said he was confident that Lao-Thai friendship will be further strengthened and expanded while all conflicts will be settled through peaceful means, in a brotherly and goodneighborly manner, on the basis of the French-Siamese treaty on the borderline between Laos and Thailand.

The two sides also discussed the strengthening of existing economic and cultural relations and cooperation between their two countries. His Excellency Niran Phanuphong, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos, was also present at the meeting.

USSR Scientific Cooperation Accord Signed

BK0802150989 Vientiane Domestic Service in Lao
1200 GMT 8 Feb 89

[Text] On the evening of 7 February, the LPDR [Lao People's Democratic Republic] National Scientific and Social Institute and the USSR Academy of Sciences signed an agreement on scientific cooperation for a 5-year period during a ceremony held at the National Scientific and Social Institute. Signing the agreement on behalf of the Lao side was Noupahan Sitphasai, vice chairman of the National Scientific and Social Institute, and on the Soviet side was (Boris Piotrovskiy), member of the Presidium of the Academy of Sciences of the Soviet Union. Witnessing the signing ceremony were Sisana Sisan, chairman, and leading cadres of the institute; Yuriy Mikheyev, Soviet ambassador to Laos; and a number of high-level officials.

The agreement stipulates that both sides will send researchers to each other's country for scientific study, exchange lessons, and work together in areas of common interest. Both sides have agreed to provide conveniences for each other's scientists to participate in international activities and important scientific activities and upgrade researchers on both sides. At the same time, they will exchange scientific documents, information, textbooks, and other kinds of printed materials so as to expand scientific cooperation on the basis of equality and mutual interest.

Kaysone Phomvihane Receives Australian Ambassador
BK0902110089 Vientiane KPL in English
0908 GMT 9 Feb 89

[Text] Vientiane, February 9 (OANA-KPL)—Chairman of the Council of Ministers of the Lao PDR Kaysone Phomvihane received here yesterday morning Australian Ambassador to Laos Mr. Philip Allan Jackson.

On this occasion, the Australian ambassador presented a message from Australian Prime Minister Bob Hawke to the Lao chairman of the Council of Ministers. The message is a confirmation that the Australian Government has decided to render assistance worth 30.5 million dollars to the project of Mekong River bridge between Laos and Thailand.

Mr Philip Allan Jackson noted that the fund to this project was in addition to the aid fund rendered to Laos by the Australian Government.

Kaysone Phomvihane expressed the appreciation of Laos and thanked the Australian Government for this decision. The Lao leader further pointed out to his guest on the agreement in principle on the construction of Mekong River bridge reached here on November 25, 1988 between the heads of the Lao and Thai governments.

In this connection, Lao and Thai technicians will coordinate with the Australian side.

Philippines

CIA Plot To Kill Marcos, Ignite Coup Alleged
HK0902005389 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 4 Feb 89

[Text] The government is reportedly making cautious preparations following reports that certain elements of the Central Intelligence Agency plan to kill former President Marcos to trigger the collapse of the Aquino administration and the ascendancy of a trusted U.S. ally to lead the country that houses the biggest American military bases outside the United States.

This was revealed by a reliable source at Malacanang, who added that Marcos' death may serve as a cue for U.S. plans against the Aquino government. According to insiders, the CIA plot may be linked to a series of

anomalies plaguing the present administration which came to power via the People's Power revolution in 1986. They remarked on the mysterious behavior of some top government officials who were previously close to Marcos as well as on the silence of military leaders identified as ultra-rightist elements.

Official Rejects U.S. Human Rights Report
HK0802134889 Manila Radio Veritas in Tagalog
1300 GMT 8 Feb 89

[Text] The human rights situation in the country is worsening despite the adoption of laws protecting human rights and commitments from President Aquino to uphold basic rights. This was revealed in an annual report of the U.S. State Department that attributed the situation to three factors: increasing violence from both leftist and rightist extremists, faulty law enforcement, and a defective judicial system.

The report claimed that the incidence of torture, disappearances, and political attacks has risen. However, the U.S. State Department also remarked that the democratic system is alive in the country, as evidenced by a free press as well as in the domains of politics, education, and religion. The report also spoke about the holding of elections and the protection of the interests of minority groups.

Hesiquio Mallillin, acting chairman of the Presidential Commission on Human Rights, has rejected the U.S. State Department report, claiming that while cases of human rights violations continue to exist, the situation is not as bad as alleged by the U.S. State Department or by an earlier Amnesty International report.

[Begin Mallillin recording in English] Well, I would, of course, deny allegations of worsening human rights situation in the country. I would say that there have been continuing violations, but I don't think it is getting worse. As our records would say, from 1986 to 1988 the filing of cases here with the commission has gone down. And the difference between the past administration and this administration now is that, during the past administration, all avenues for redress of human rights violations were closed, unlike the present dispensation where all avenues—before the courts of law, the Commission on Human Rights, the fiscal office—all avenues are open. So, there is a policy addressing this problem. [end recording]

Aquino To Convene Cabinet Crisis Committee
HK0902101189 Manila Radio Veritas in Tagalog
0900 GMT 9 Feb 89

[Interview with President Corazon Aquino by Malacanang press corps at Malacanang—live or recorded in English—monitored in progress]

[Text] [Aquino] ...I'll be convening the cabinet crisis committee early next week. My prime consideration is whether, whatever decision we will come to will in fact

be in the interest of the Filipino people. That is primarily, as far as I am concerned, that whatever decision that will finally be reached should focus precisely on its effects on the national interest.

[Reporter] Ma'am, Senator Enrile disclosed that the Marcos message was that you should stop your relatives from collecting money from him.

[Aquino] I do not want to comment on that. [passage indistinct] I am going to convene the cabinet crisis committee. One of the topics that we will talk about is the matter of Mr Marcos wanting to return here.

[Reporter] Mrs President, your leaving to Japan is too close to the celebration of the Edsa [Epifanio de los Santos Avenue] revolution.

[Aquino] I will be back on the 25th. I will be here in time for the Edsa celebration.

[Question indistinct]

[Aquino] [Passage indistinct] but I am confident that this government is very stable now and as I said, I continue to have the support of the Filipino people and to me, that is the most important thing.

[Reporter] What about the State Department report on human rights?

[Aquino] Well, it really can also be said that this is not something that is countenanced by this administration. What we have said before is that many of these incidents are insurgency-related. So the matter of insurgency will have to be attended to and the way to do this is to boost the rural economic development.

[Reporter] Have you spoken to Chairman Caparas?

[Aquino] Yes, he is in New York now and he is there primarily to look into the Philippine properties in New York City, to see to it that we are able to sell these properties at the best possible price.

[Reporter] What about the offer of Marcos?

[Aquino] There is nothing. To this day, Mr Caparas has not received any letter of authority from Mr Marcos identifying who his representatives are.

Committee To Discuss Marcos' Request

*HK0902110589 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 9 Feb 89*

[Text] President Corazon Aquino will convene the cabinet crisis committee next week to discuss former President Marcos' request to return to the country. Here is Sel Baisa with the details:

[Begin recording] The meeting was scheduled following Aquino's rejection of a proposal by four senators, including opposition Leader Juan Ponce Enrile, to create a national security council to assist the president in finding a just resolution of Marcos' request.

The president brushed off speculations that the meeting was called to deal with a takeover threat in view of her departure for Japan next week. [end recording]

Marcos May Return 7 Years After Death

*HK0902020189 Manila Far East Broadcasting
Company in English 2300 GMT 8 Feb 89*

[Text] The government will allow the return of former President Marcos 7 years after his death. President Aquino approved the new solution which is patterned on France's Napoleonic formula. That solution was adopted by France in the case of its exiled emperor Napoleon Bonaparte who was not allowed to return to France after his exile in Elba in the southern Atlantic. Cabinet Secretary Jose de Jesus said the president approved the new solution after a meeting with the national security group yesterday in Malacanang. De Jesus added that this was the most applicable and fair solution to the issue because it would ensure stability and order in the country.

Bishops Urge Ban on Marcos Dead or Alive

*HK0902053989 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 9 Feb 89*

[Text] Former President Marcos should not be allowed back in the country, dead or alive. This was the declaration by the Bishops-Businessmen's Conference that said that a return by Marcos would pose a threat and would cancel any gains made by the country during the past 3 years. At a formal interview, the bishops said that the real issues at present are not an apology by Marcos or his offer to return any funds, but the welfare of the majority of Filipinos. The bishops also said that the return of the deposed leader could be used by extremist forces, ambitious politicians and other vested interests to further their ends.

Editorial Supports Aquino on Marcos Issue

*HK0802130689 Quezon City Radyo ng Bayan
in Tagalog 1105 GMT 8 Feb 89*

[Philippine Broadcasting Service-DZRB Radyo ng Bayan 918 "Editorial" in English read by an unnamed announcer: "Marcos Does Not Deserve Our Compassion"—live or recorded]

[Text] A small, but very vocal, segment of the population is capitalizing on President Aquino's firm stand that the ailing deposed dictator Ferdinand Marcos should not be allowed to come home. She is un-Christian, her detractors say. She is lacking in compassion.

Let us examine how valid this accusation is.

What is a Christian? Among other things, a Christian is a person who believes in justice. A person, moreover, who will fight injustice in whatever form he may encounter it.

We all know President Aquino's record in fighting injustice. We all remember how, despite the great risks to herself, she led demonstrations denouncing the dictatorship. And how can we forget how, despite her initial reluctance and not withstanding the calumnious hit on her person by the dictator and his minions, she stood up to win and defeated him in the snap elections.

And how Christian was Marcos? Ask the widows and orphans whose loved ones were tortured, executed, or who disappeared without a trace during his years of misrule. Ask the journalist who was muzzled or the businessman whose factory was taken away from him by Marcos and his cronies. Ask why Ninoy Aquino was murdered.

And what is compassion, the quality that the Marcos sympathizers are saying that President Aquino totally lacks?

Compassion is an emotion one must show to a victim of injustice or to a man who has committed an injustice, but who has made reparations or is showing a willingness to make reparations.

Thus we feel, nay we have a duty to feel, compassion for the beggar or a squatter who has been impoverished by an unjust economic system. Thus should we feel about an ex-convict who, after paying his debt to society, comes to us for help.

Is Marcos deserving of our compassion? Yes, if he shows genuine contrition for his many sins against the Filipino people. Yes, if he shows a sincere willingness to make reparations. Meaning if he returns the billions he stole.

Has he done any of these things? No.

Must we be compassionate to him? No.

Preparations for IMF Talks Under Way
HK0902052289 Manila THE MANILA CHRONICLE
in English 9 Feb 89 p 11

[By staff member Arleen Chipongian]

[Text] Finance Secretary Vicente Jayme yesterday said the Government was now preparing details of the country program which will be presented to the visiting mission of the International Monetary Fund (IMF) arriving this weekend.

In an interview with newsmen, he said that the Government was also sticking to the initial plan of asking some \$1.3 billion in new loans from the Fund, broken down as follows: \$900 million as part of the medium term

extended fund facility (EFF) program which will be released in three tranches and the \$400 million contingency financing facility (CFF).

Jayme said the Goovernment would not increase its proposed new borrowings despite the anticipated fund shortage for the financing of some big power projects of the state-owned National Power Corporation (Napocor).

It will be recalled that the Department of Finance had approved recently the energy program of Napocor which will result in a major P16 billion budget deficit for the government corporation.

The Finance Secretary said the negotiations for a new country program for the Philippines will take about two weeks. After the discussions, the IMF mission will then submit the country program, or the letter of intent, to the IMF management in Washington for review and possible endorsement for final approval to the IMF executive board.

It was reported that the IMF has a "four-week rule" wherein the proposed country program is reviewed by the Fund management; thus the earliest that the executive board could finally approve it is possibly in May this year.

The country program will cover financial, monetary and other policies of the Government in the next three years.

Jayme noted that the program would more or less stick to the original structural reforms earlier committed by the Government in March 1987 to the Fund.

These reforms include the rehabilitation of the government corporate sector, privatization, and the trade liberalization policy.

Basically, the program will be based on the so-called "five elements of understanding" agreed upon by the IMF mission led by Ulrich Baumgartner, head of the Fund Asian Department who met with the negotiating panel composed of Jayme and Central Bank Governor Jose B. Fernandez recently.

These five elements are the 6.5 per cent target growth rate annually until 1992, no new taxes in 1989, level of investments should be consistent with the growth targets, flexible foreign borrowing limits and easing of import restraints.

Earlier, Jayme said the Government would shortly ask its official and commercial creditors to open debt talks next month.

Normally, the commercial foreign banks and the official creditors, collectively known as the Paris Club, only agree to debt negotiations once the debtor country has secured for itself a new program with the Fund.

Consultations Begin With Aid Plan Donors

*HK0802122089 Manila Radio Veritas in Tagalog
0945 GMT 8 Feb 89*

[Text] The chairman of the Multilateral Aid Initiative [MAI] committee has disclosed that the Philippines has begun consultations with possible donor countries of the Philippine Aid Plan. According to Mr Roberto Villanueva, his committee is taking steps to speed up implementation of the aid plan intended to promote the country's economy.

It has also been reported that U.S. and Japanese support for the project will depend on the World Bank's decisions.

Villanueva named the countries that have committed themselves to the aid plan.

[Begin recording in English] [Villanueva] Well, we are now getting started in setting up the framework for consultations with donor countries.

[Unidentified reporter] Which countries?

[Villanueva] Principally, the United States and Japan. That will be the start of the process of consultation. We will have to pin them down first because they are the principal donors.

[Reporter] Have they registered?

[Villanueva] Not yet, not yet. We have to come up with the framework document of the whole program in consultation with them.

[Reporter] When is the consultation?

[Villanueva] It is an ongoing thing now. We have started already.

[Reporter] What about the preparatory committee?

[Villanueva] No, we are going to bypass that already. We are not going to, we will go direct to the pledging session and we will host it.

[Reporter] When?

[Villanueva] Anytime we are ready, so we have to hasten our efforts.

[Reporter] Will that be in June?

[Villanueva] If we can, yes. If we can get it earlier than June, so much the better. We are trying to accelerate the process by bypassing the preparatory committee meeting and going straight into a pledging session.

[Reporter] What will be the role of the World Bank?

[Villanueva] They will be playing a role because both the United States and Japan have proposed that they be brought into the picture. In an advisory and technical capacity, because they know the Philippine program and whatever we propose must...

[Reporter, interrupting] So this means that the Philippine Aid Plan will have to be reviewed by the World Bank?

[Villanueva] Not necessarily reviewed, but it has to be integrated in the whole country plan because we also have a country plan that goes to the IMF and World Bank. So the Philippine Assistance Program will have to be viewed in the general context of that country plan. So, it is not inconsistent with...

[Reporter, interrupting] [Passage indistinct]

[Villanueva] And we will be open to them as long as they accomplish what...

[Reporter, interrupting] Even the depressed areas?

[Villanueva] Yes, yes, we will try to get funds moving into the countryside, particularly the depressed areas.

[Reporter] How much will they get?

[Villanueva] We don't know yet. We have just started the process of consultations. As soon as we begin getting feedback, then we will know.

[Reporter] Sir, what projects have been lined up?

[Villanueva] Well, we are trying to look for at least 12, if we can, but the main contributors will obviously be the United States, Japan, and some European countries, and also Australia, Canada, and some ASEAN countries, like Brunei, which has already expressed in a preliminary way their interest to participate in the program.

[Reporter] Sir, if there are projects lined up, there should be a target amount that we should raise this year.

[Villanueva] No, not yet, that is precisely what we are going...[changes thought] to get some focus into the program and to see...[changes thought] because we cannot do everything at one time, so we will try to determine which are the programs that can be quickly implemented, say this year.

[Reporter] What pilot projects have you identified?

[Villanueva] Maybe we will have three or four to start with.

[Reporter] Which ones?

[Villanueva] Not yet completely identified. There are several suggestions from different provinces coming in. So we will have to identify those that can really be

implemented in 1 year or 2 years. Because if they have a long gestation period, then we will not be able to use the funds that we expect to get this year. [end recording]

Taiwan To Be Asked for Aid Contributions

HK0802123089 Hong Kong AFP in English 0910 GMT
8 Feb 89

[Text] Manila, Feb 8 (AFP)—The Philippines is to ask Taiwan to contribute to a multi-billion dollar aid proposal to revive its economy, the head of a committee coordinating the plan said Wednesday.

"We are going to contact them," businessman Roberto Villanueva said after a meeting with government economic planners. "Obviously, they will be a major contributor of funds in the sense that their private sector wants to invest actively in the Philippines. So that is an angle we have to explore with them."

Taiwan has more than 70 billion dollars in reserves and overtook Japan last year as the biggest source of foreign investment in the Philippines, with investment from the island estimated to have exceeded 100 million dollars.

The growing ties between the two countries have sparked protests from Beijing including complaints from the Chinese ambassador to the Philippines and a member of the National People's Congress who recently visited the country.

The aid proposal, patterned after the Marshall Plan which rebuilt Western Europe after World War II, aims to pool funds particularly from the United States and Japan. Mr Villanueva said it would be integrated with another plan to be submitted to the International Monetary Fund and the World Bank.

The World Bank "will be playing a role because both the U.S. and Japan have proposed that they be brought into the picture," he said. The government has lined up 12 possible projects to be financed by the plan and contributors are expected to attend a "pledging session" before June, possibly in Japan.

Massive Increase in Investments Sought

HK0802045489 Manila BUSINESS STAR
in English 8 Feb 89 p 2

[Text] The Board of Investments (BOI) is keen on tapping Taiwan's trade surplus of \$10 billion last year and \$19 billion in the preceding year.

Gel Valbuena, BOI Information Chief, told the BUSINESS STAR that BOI will be centering on Taiwan as the country's biggest Asian investor, second only to Japan.

BOI is bent on enticing the Taiwanese to pour in as much as \$1 billion in investments for this year.

Taiwan investments last year reached \$220 million compared to the 1987 figure of only \$93 million and the 1986 figure of \$3.5 million. Investments from Taiwan in 1987 was 26 times more than in 1986, while the 1988 figure shows that Taiwan investments grew by almost 300 percent.

BOI officials pointed out that since leather and leather products and textiles are taking the lead among Taiwanese sectoral investments in the Philippines, they would like to concentrate on other manufactured products.

Concentration will be on miscellaneous manufactured products such as toys, gifts, and housewares; electronics and electrical products, and other downstream industries.

Petrochemical plants will also be welcome as the country lacks downstream industry back-ups, especially for manufacturing industries like plastics which use petrochemical products.

Cement plants and service/tourism-oriented industries are also among the target industry sectors that the BOI hopes to develop.

The BOI would also like to promote subcontracting tie-ups among Taiwanese businessmen to maximize fully the steel and metal industry's production capacity.

At present, as much as 55.7 percent of capacity is not utilized either for domestic or export consumption.

The BOI stressed that the Philippines can benefit from Taiwan's technological and marketing expertise.

The government is counting on Philippines' regional proximity to Taiwan (Taiwan is only 360 kilometers away from the North) and the fact that a substantial portion of Filipino-Chinese speak Fookien, a Taiwanese dialect.

Economic director of the Pacific Economic and Cultural Center Li Tiu said in an earlier report that Taiwanese investments will continue to pour into the country because of physical and cultural proximity between the two countries.

However, Li Tiu stressed that Taiwan investors want their investments to be well-protected.

He also said Taiwanese investors are keen on acquiring real estate, particularly in their respective plant sites.

Thailand generated as much as \$10 billion investments from Taiwan in 1988, and one of its competitive advantages is its policy of allowing foreign investors to acquire real estate in Thailand.

BOI has geared up to disseminate investment information in at least four key cities namely: Taipei, Taikan, Taichung and Kaoshung.

Banks To Administer Japanese Loan Fund Named
HK0802045689 Manila BUSINESS STAR
in English 8 Feb 89 p 12

[By Marianne V. Go]

[Text] The Development Bank of the Philippines (DBP), the Philippine National Bank (PNB) and the Land Bank of the Philippines (LBP) will be the three main conduits for the ASEAN Japan Development Fund (AJDF).

This was revealed yesterday by DBP Chairman Jesus P. Estanislao following a Monetary Board approval of the use of the three government financial institutions (GFIs) as conduit for the AJDF.

The Monetary Board handed down its decision during its meeting the other day.

Estanislao was not sure, however, how much funds would be allocated to each of the three GFIs.

The \$2-billion AJDF, which is primarily funded by the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund (OECF), is intended for several ASEAN countries, including the Philippines, Indonesia, Malaysia and Thailand.

The Philippines is expected to receive about \$300 to \$500 million from the AJDF.

Estanislao also revealed that the question of how much the pass on rate would be still has to be worked out.

The Monetary Board made its decision to appoint the three GFIs as the main conduits following the Central Bank's [CB] decision to disengage from relending activities.

The CB, initially, had been appointed as the main AJDF conduit. The CB would then be tasked with relending the AJDF to the private sector through other financial institutions.

However, CB Governor Jose B. Fernandez Jr. had said that CB must disengage itself from relending activities since such activity could be viewed as a conflict of interest.

The CB, he said, is a regulatory body and should therefore not be involved in choosing which banks should be used as conduit for certain funds.

The AJDF is a mix of commercial and soft loans to be extended to ASEAN countries mainly to help finance private sector projects in the region.

The AJDF was launched in December 1987 during the ASEAN summit held in Manila.

The soft loan component of the AJDF amounting to \$1.2 billion will be made available to the Philippines, Thailand, Indonesia and Malaysia.

It will carry an interest rate of one-half percentage point less than Official Development Assistance (ODA) loan rates.

However, in the case of the Philippines, the interest will be 2.5 percent or one-half percentage point below the prevailing ODA rate of 3 percent.

Aquino Sees Country Industrialized by 2000
HK0902112389 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 9 Feb 89

[Text] President Aquino today expressed optimism that the Philippines would become an industrialized country before the year 2000 through continued support from Japan, the United States, and other developed countries.

This was what the president told Takamori Makino, Japan's vice minister for foreign affairs, during his courtesy visit to Malacanang this morning.

Makino told the president that the Japanese Diet will convene in the near future and one of the items on its agenda is the economic cooperation between Japan and the Philippines. Makino added that he is impressed with the progress the Philippines has shown.

Manglapus To Postpone Saudi Arabia Visit
HK0802124889 Hong Kong AFP in English 1218 GMT
8 Feb 89

[Text] Manila, Feb 8 (AFP)—Philippine Foreign Secretary Raul Manglapus said Wednesday he would probably have to delay his planned visit to Saudi Arabia this month.

Mr Manglapus told reporters the king and foreign minister of the Middle Eastern country were very busy at this time and "we are now talking of alternative dates" to the February 18 visit.

Observers said the earlier schedule would have allowed Mr Manglapus a chance to present to Saudi Arabia the Manila government's initiatives to resolve a Moslem separatist rebellion in the southern Philippines.

The Moro National Liberation Front, which enjoyed Arab backing in a bloody insurrection in the 1970's, has since shifted its campaign to the political arena.

It plans to reapply for membership in the Organization of the Islamic Conference during a meeting in Riyadh next month. A similar application was rejected last year.

But Mr Manglapus said Wednesday that "this trip of mine was not planned to in any way influence any process there."

He said it was a goodwill visit following suggestions that "there has never been any special attention diplomatically paid to that country" by Manila.

Misuari Assails Manglapus Trip

HK0902051789 Manila THE MANILA CHRONICLE
in English 9 Feb 89 p 7

[Text] Moro National Liberation Front (MNLF) Chairman Nur Misuari has accused President Aquino of sending Foreign Secretary Raul Manglapus to Saudi Arabia "to bring another empty promise" to frustrate the MNLF's renewed bid for full membership to the Organization of Islamic Conference (ICO).

Misuari, however, expressed confidence that the 18th ICO Foreign Ministers meeting in Riyadh on March 13 to 16 this year would be "more sympathetic to and supportive of the MNLF and the Bangsa Moro [Moro homeland] plea for full membership."

In an interview published by the "RIYADH DAILY" on Jan 25, Misuari claimed that on the eve of the 17th ICO Foreign Ministers in Amman, Jordan last year, Mrs Aquino had sent a formal message to some heads of Government "pledging categorically to implement the (1976) Tripoli Agreement," and asked them, to "defer acceptance of the MNLF's bid for membership."

Manglapus was not available for comment. Earlier, Manglapus said that his meeting with Saudi officials sometime this month would focus largely on the Mindanao problem and the government's response to it.

During his trip to Saudi Arabia, the date of which has not yet been finalized, Manglapus will be accompanied, among others, by Health Secretary and Peace Commissioner Alfredo Bengzon, Sen. Santanina Rasul, Rep. Michael Mastura, member of the House Committee on Muslim Affairs, Supreme Court Justice Abdul Wahid Bidin, Office of Muslim Affairs Director Dimas Pundato and Ambassador Pacifico Castro, Executive Director of the DFA's [Department of Foreign Affairs] Office of Middle Eastern and African Affairs.

In the interview, excerpts of which were telexed to the home office by Philippine Ambassador to Saudi Arabia Mauryag Tamano, Misuari said the MNLF's membership to the 46-member ICO "will hold the key to the peaceful resolution of the (Mindanao) problem and the future of the Bangsamoro people and Islam."

Misuari also accused the "Philippine occupation forces, the Catholic Church, the multinational companies, the Zionist Shalom Club and certain powerful politicians in the Philippine Senate and the House," of being the "impediment" to the peace process.

Misuari, now reportedly in Jeddah, also said the proposed Organic Act being discussed in Congress "has removed all the important provisions of the Tripoli Agreement."

Meanwhile, informed sources at the DFA said Manglapus would deny any request that may be made by Misuari when he visits Jeddah since the Cabinet already has a standing policy to "de-internationalize" the Mindanao problem.

The sources did not discount the possibility that Manglapus and Misuari, who developed kinship during their anti-Marcos years, may "bump into each other" in Jeddah.

Manglapus Ready To Meet Misuari

HK0902084189 Hong Kong AFP in English 0816 GMT
9 Feb 89

[Text] Manila, Feb 9 (AFP)—Philippine Foreign Affairs Secretary Raul Manglapus said Thursday he was willing to meet the self-exiled Moslem separatist leader Nur Misuari when he visits Saudi Arabia.

"We will talk to him... I certainly would not decline meeting him," he said when asked if he was prepared to meet Mr Misuari, chairman of the Moro National Liberation Front (MNLF) believed to be based in Jeddah.

Asked if President Corazon Aquino was likely to sanction talks with Mr Misuari, Mr Manglapus said it would "depend on how things develop," but did not elaborate.

Mr Manglapus did not set a new date for his visit, which was originally scheduled for February 18 but which he postponed because he said Saudi officials were busy attending to other matters.

The Moros make up the estimated five million Moslems in this largely Roman Catholic nation of 59 million.

The MNLF received Arab backing during its bloody insurrection in the 1970s but has since shifted its campaign for an independent Moslem state to the political arena, although sporadic clashes still occur between its guerrillas and the military.

It plans to apply for membership in the Organization of the Islamic Conference during its meeting in Riyadh next month. A similar application was rejected last year.

Mr Manglapus said he may also ask Saudi Arabia to contribute to a proposed multi-billion dollar Philippine aid plan intended to rehabilitate the country's economy.

"We might be taking that up," he said. "It would be unexpected of me not to touch on the (aid plan)."

Japanese Firms Said To Have Bribed Marcos
OW0902081189 Tokyo KYODO in English 0601 GMT 9 Feb 89

[Text] Manila, Feb. 9 KYODO—A former cabinet minister continued his testimony Thursday on alleged pay-offs to deposed President Ferdinand Marcos by Japanese firms doing business in the Philippines.

Baltazar Aquino, who was secretary for public works and highways under Marcos, told government prosecutors and an officer of a special anticorruption court about his participation in the payoff scheme.

The ailing 79-year-old Aquino affirmed for the most part a 4-page affidavit he executed on July 3, 1986. Government prosecutors said they will submit three more affidavits.

In these statements, he named 7 Japanese firms which he said gave at least 4.5 million dollars to Marcos between March 1975 and July 1976. Aquino was highways secretary for almost 15 years.

Spokesmen in Tokyo of the named companies—Marubeni Corp., Mitsui and Co., Sumitomo Corp., Nissho-Iwai Co., C. Itoh and Co., Toyo Corp. and Sakai Heavy Industries Ltd.—have all denied their firms' involvement in the wrongdoing.

In his statement, Aquino said his first deposit of about 700,000 U.S. dollars in the Hong Kong branch of Swiss Banking Corp. of Fribourg was given by a Japanese trader named Susumu Makino in 1975.

He said it was Marcos who gave him the number of the bank account in the British colony and that he turned over the deposit receipts to the former President himself.

Aquino said he made about 8 to 10 trips to Hong Kong to collect and deposit various amounts which Makino first described as "voluntary contributions" by Japanese firms to Marcos.

Aquino's statement was read to him by Assistant Solicitor General Romeo de la Cruz because the former cabinet official, who is nearly blind, said he had difficulty reading.

Throughout his testimony, Aquino was assisted by a nurse who regularly monitored his blood pressure. The hearing was reset for February 14-15 when Aquino's blood pressure rose to 160 over 90.

The court allowed the deposition hearings in advance of the trial due to Aquino's deteriorating health.

De la Cruz told KYODO News Service that Aquino decided to wait for the issuance of immunity from the corruption charges before giving his deposition in court.

Firms Deny Paying Bribes

HK0902094389 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Feb 89

[Text] Seven Japanese companies have denied paying a total of \$4.5 million in bribes to former President Marcos in 1975 and 1976.

Spokesman Satsuya Matsura said that they knew nothing of the transaction. Takiyasu Yanagizawa said that although they were the manufacturers of road rollers and other construction equipment, they never paid bribes. He clarified that his company's export transactions with the Philippines were done through Japanese trading companies. He did not name the companies.

Yanagizawa claimed that paying commissions, of 4 percent up to 5 percent of the contract's value to export trading companies, were legal and were common practice in Japan.

Firms Not To Be Prosecuted

HK0802124689 Hong Kong AFP in English 0753 GMT 8 Feb 89

[Text] Manila, Feb 8 (AFP)—The Philippine Government is not likely to prosecute large Japanese firms accused of paying millions of dollars in bribes to deposed President Ferdinand Marcos, a senior official said here Wednesday.

Assistant Solicitor-General Romeo de la Cruz said the government's priority was to recover the billions of dollars allegedly stolen by Mr Marcos, who fled to Hawaii three years ago after a popular revolt ended his 20-year rule.

"All other concerns are of secondary importance," said Mr de la Cruz, who is handling the government's case in obtaining a deposition on the alleged bribery.

Diplomats here said an attempt by the Philippines to prosecute the firms could also harm official relations with Japan, the country's top aid donor and second biggest trading partner.

Mr Marcos's former aide and Highways Minister Baltazar Aquino has admitted in a written statement to government prosecutors that he received bribes from the firms in behalf of Mr Marcos and deposited them in secret accounts abroad.

Mr Aquino, who is not related to President Corazon Aquino, agreed to cooperate with the government in exchange for immunity from suits.

The firms allegedly paid bribes as a condition for winning contracts to build highways funded with aid money given by Tokyo as reparations for its occupation of the Philippines during World War II.

His affidavits will be used in civil suits filed by Manila against Mr Marcos to seek damages.

Mr De la Cruz said that if some of those named in Mr Aquino's affidavits were still in the country, they could be charged with bribery, although he said it was unlikely they were still in the Philippines.

A special deposition had to be obtained from the former Marcos aide because he suffered a stroke last year and government prosecutors feared that he might die before he could personally testify in court.

Spokesmen for some of the seven Japanese firms involved—C. Itoh, Marubeni, Mitsui and Co., Nissho-Iwai, Sakai Heavy Industries, Sumitomo and the Toyo Corp.—denied knowledge of the bribery attempt.

Meanwhile, Mrs Aquino denied there were negotiations with representatives of Mr Marcos on a settlement allowing him to return home.

She said an aide of hers now in California, Mateo Caparas, was waiting for a letter of authorization from Mr Marcos identifying his representatives, and that Mr Caparas was not authorized to start negotiations.

"All he has to do is to listen to whatever they have to say, and then he'll report back to me," she added.

Mr Caparas heads a presidential commission assigned to recover Mr Marcos' worldwide assets, estimated at more than five billion U.S. dollars.

Threat From Rightists in Military Now 'Remote'
HK0802043289 Manila PHILIPPINE DAILY GLOBE in English 8 Feb 89 p 8

[By Dionision Pelayo]

[Text] Military authorities said yesterday some former officers linked to right-wing extremists have fled to the United States and no longer pose a serious threat to national security.

Intelligence sources said former Navy Capt. Felix Turingan, discharged Air Force Lt. Col. Oscar Legaspi and cashiered Constabulary Maj. Manuel Divina were monitored to be in San Diego, California.

With the three abroad, sources said, the threat from right-wing extremists in the military has become remote.

However, a three-page manifesto circulated among soldiers by a group calling itself "Enlightened Soldiers of the Filipino People" called on military personnel "to act now" because of the alleged ineptness of the administration of President Corazon Aquino.

The manifesto also accused the government of "offering our nation to the communists on a silver platter."

"Even now, (communist-led New People's Army [NPA]) units and supply points are already prepositioned in strategic areas in Metro Manila and are just waiting for the appropriate time to strike. Those in power are well aware of this," the manifesto said.

It also accused the government of releasing escaped communist leader Romulo Kintanar and his wife, Gloria Asuncion-Jopson last November in exchange for the release of four officers and one soldier earlier held hostage by the NPA in Quezon Province.

"The extremely inimical decisions of the executive department could only be explained by the fact that the enemy has succeeded in infiltrating the decision-making ability of a President who does not have a discerning mind of her own," the manifesto said.

While saying that the top brains of right-wing extremist groups are abroad, authorities at Camp Aguinaldo did not discount the possibility that some discharged military officers are still plotting to topple the government.

"What they have outside the country are the brains of the Reform the AFP [Armed Forces of the Philippines] Movement (RAM). There is no threat as far as the extreme right is concerned," an intelligence officer said.

Last week, Navy Capt. Rex Robles warned of "summer storms to come" if some persons "continue to manipulate the Armed Forces."

Although implicated in several coup attempts, no formal charges have been filed against Robles, who has been assigned to the staff of the Navy chief.

At Camp Crame, Maj. Efren Arayata, supreme commander of the Guardian Brotherhood Inc. said his group will not join any political group or any organization which aims to topple the government.

Lt. Col. Serafin Santos, head of the Guardian's Camp Crame chapter said: "In fact we have been meeting with members of the brotherhood to remind them of their duties as military personnel."

"We are for the present government and we fully support the chain of command," Santos added.

In Tacloban City, the former supreme commander of the Guardian Brotherhood Inc., denied reports that the group had joined the Marcos loyalists to create "a destabilization mood in Metro Manila" if the government insists on not allowing the return of former president Ferdinand Marcos.

"The Guardians have been disbanded by higher headquarters and I do not know what they are talking about," said Brig. Gen. Lorenzo Mateo, regional commander of the Philippine Army in Region VIII. He was the leader of the 67,000 strong organization.

Mateo made the denial here after some members reportedly had a secret meeting in Pasay City to discuss their roles in case Marcos returns dead or alive.

"If there was a meeting, I never received any notice," says Mateo who added that it is not good dragging the name of the organization he headed into the fray because it was not a politically motivated group.

"Our real purpose is for our own welfare and to try to institute reform in the Armed Forces," he said.

Aquino Orders Military To Arrest Renegade Officer
HK0902051589 Manila THE MANILA CHRONICLE
in English 9 Feb 89 p 6

[Text] President Aquino said yesterday she had ordered the military to arrest renegade policeman Rizal Alih who had earlier been reported to have joined the Moro National Liberation Front.

"I have ordered the military to get Alih," the President told reporters.

Armed Forces spokesman Col. Oscar Florendo, meanwhile, said that even without the President's order the military had been hunting for Alih who led the takeover by renegade soldiers and policemen of the Regional Command 9 headquarters in Zamboanga City last month.

Florendo, however, expressed doubts that Alih had been recruited by the MNLF as reported. "The MNLF hierarchy denied more than once that they helped him," he said. But he added that Alih "is now the last of our troubles."

The AFP [Armed Forces of the Philippines] spokesman refused to comment on published pictures showing Alih alive. "I cannot react on the basis of newspaper reports unless I see the original picture," he said.

As this developed, Southern Command chief Maj. Gen. Manuel Cacanando said Alih could have slipped out of the country with the help of the MNLF.

He said reports indicated that Alih had taken refuge in an MNLF medical facility in Sabah.

MNLF denials that it had given aid to Alih "are lies," Cacanando said.

Thailand

Various Reaction to Chatchai's Cambodia Action

Gorbachev Hails Initiative

BK0902101389 Bangkok THE NATION in English
9 Feb 89 Afternoon Edition p 1

[Text] Soviet leader Mikhail Gorbachev has welcomed Prime Minister Chatchai Chunhawan's initiative in having direct talks with the Vietnamese-backed regime in Phnom Penh, Government Spokesman Suwit Yotmani said this morning.

Suwit said Gorbachev, in a letter delivered to Chatchai by Soviet Ambassador Anatoly Ivanovich Valkov this morning, said that the Thai leader's move will help bring peace to the region.

Suwit quoted the letter as saying that it is time that all foreign military assistance to the warring factions in Kampuchea be stopped so that a peaceful solution to the conflict can be found.

The spokesman said Ambassador Valkov read out the letter to Chatchai during a meeting at the Government House.

In the letter Gorbachev also praised Chatchai's policy to turn the battlefields in Indochina into marketplaces.

Soviet [as published] said the Soviet envoy also said that Soviet Prime Minister Nikolay Ryzhkov has rescheduled his visit to Thailand after the trip was postponed following the earthquake in Armenia late last year. But no date has been fixed, Suwit said.

Suwit said Gorbachev also thanked the Thai Government for extending relief help to the quake victims.

He quoted Chatchai as telling Valkov that all the four Kampuchea factions, including the Phnom Penh regime, have agreed to attend the Jakarta informal talks scheduled for Feb 19-21.

Soviet Message Received

BK0902114989 Bangkok Domestic Service in Thai
0530 GMT 9 Feb 89 p 1

[Text] Government spokesman Suwit Yotmani and deputy government spokesman Likhit Hongladarom have reported that at 10:30 [0330 GMT] today the Soviet ambassador paid a courtesy call on Prime Minister General Chatchai Chunhawan and delivered a message from President Gorbachev thanking the prime minister and the Thai Government for the aid materials for Armenian quake victims. The message expressed special thanks in light of the fact that Thailand was at that time suffering from the flooding in the south. The Soviet ambassador read the message to the prime minister. The message also stated that the Soviet Union has been following Thailand in its dialogue with the four Cambodian factions, which is a very good initiative and a courageous and far-sighted action in search for a settlement of the Cambodian problem in the interest of speeding up peace. The Soviet Union is ready to exchange views with and extend all forms of cooperation to Thailand if it is informed what assistance is needed to restore peace in Cambodia.

The prime minister expressed his appreciation and informed the Soviet ambassador that the four Cambodian factions have pledged to attend the second Jakarta Informal Meeting on 19 February. He said the important thing is that the meeting should be meaningful and

should result in troop withdrawal and end interference in Cambodian internal affairs. The four Cambodian factions should talk among themselves without external interference, and there should be an election and supervision of the troop withdrawal. These matters will be discussed further.

PRC Said 'To Understand Move'

BK0902103789 Bangkok *THE NATION* in English
9 Feb 89 Afternoon Edition p 2

[Article by Kawi Chongkitthawon entitled: "China Mum on Chatchai's Kampuchean Initiative"]

[Text] Beijing—China has not expressed any objections to Thailand's initiative in opening a dialogue with Premier Hun Sen of the Vietnam-backed Kampuchean regime, a senior Thai diplomat said yesterday.

The diplomat told *THE NATION* that the Chinese Foreign Ministry has not voiced any concern or dissatisfaction over Prime Minister Chatchai Chunhawan's meeting with Hun Sen. "In fact, this diplomatic initiative is very similar to the Chinese move," the diplomat said.

He cited Vietnamese Vice Foreign Minister Dinh Nho Liem's visit to Beijing last month as an effort by China and Vietnam to end the 10-year-old Kampuchean conflict.

"In talking with Vietnam, China bears in mind its own interest. Likewise, when Prime Minister Chatchai talked to Hun Sen, it is in the Thai interest," the diplomat said.

His comment came in the wake of a published report in Bangkok that Foreign Minister Sitthi Sawetsila would have a lot to explain to the Chinese leaders during his three-day visit here which begins today.

"China understands Thailand's move well," he said.

Sitthi is scheduled to hold talks with his Chinese counterpart Qian Qichen and pay a courtesy call on Chinese Communist Party leader Zhao Ziyang and Prime Minister Li Peng.

The Thai foreign minister is scheduled to discuss the Kampuchean conflict with exiled Khmer resistance leader Prince Norodom Sihanouk this morning.

The diplomat said Sihanouk was "unhappy" with the Chatchai-Hun Sen meeting but he respected Thailand's right to make such a decision.

Sihanouk will chair a meeting of representatives from the three-party resistance Coalition Government of Democratic Kampuchea (CGDK), which the prince was president of until last year. Khieu Samphan will represent the Khmer Rouge, Son Soubert, son of CGDK

Premier Son Sann, and Prince Norodom Ranariddh will attend the meeting for the Khmer People's National Liberation Front (KPNLF) and the Sihanoukist National Army (ANS) respectively.

The coalition partners have agreed to attend the informal meeting, also known as JIM II, in Indonesia scheduled for Feb 19-21.

The outcome of discussions on Kampuchea between China and the Soviet Union will be on the top of the agenda during Sitthi's talks with Chinese leaders, the diplomat said.

On Saturday, Sitthi will fly to Guangzhou to open a new consulate before returning to Bangkok.

The diplomat said that China has indicated since August it would remove the Kampuchean conflict as one of the major obstacles preventing normalization of relations with the Soviet Union.

Suharto Expresses Support

BK0902015589 Bangkok *BANGKOK POST* in English
9 Feb 89 pp 1, 3

[Excerpts] President Suharto and other senior Indonesian officials recently expressed full support for Prime Minister Chatchai Chunhawan's Hun Sen initiative, sources said yesterday.

In a sharp rebuttal to recent newspaper reports quoting "diplomatic sources" suggesting that ASEAN capitals have reacted negatively to the premier's initiative, the sources released the text of a message from Suharto to Premier Chatchai.

The message, dated February 4 and received by the Foreign Ministry on Monday, said in part: "I would like (to) reiterate my sincere appreciation of Your Excellency's continuing efforts to move forward the Jakarta Informal Meeting [JIM] process towards the attainment of a comprehensive, just and durable solution of the Kampuchean problem.

"With the reconfirmation of the participation of the CGDK factions at the forthcoming second Jakarta Informal Meeting as a result of Your Excellency's meeting with them, it would appear that the last hurdle in the path towards Jakarta Informal Meeting II, has now been overcome..."

In addition to the message from Suharto, which was transmitted via the Indonesian Embassy in Bangkok, one of the sources reported part of a telephone conversation he had early yesterday afternoon with "a senior official of the Indonesian Government in Jakarta".

This official was quoted as saying Indonesia knew nothing of the sources of the newspaper reports circulating in Bangkok critical of Gen Chatchai's initiative and that in any case "Indonesia supports fully Prime Minister Chatchai's policy and that we're glad that JIM II is going to take place".

Furthermore, the Indonesian official denied that Indonesian Foreign Minister Ali Alatas was upset over the Chatchai-Hun Sen meeting, and on the contrary, supported it. [passage omitted]

Meanwhile a Government House source told the BANGKOK POST yesterday that Premier Chatchai was very angry and upset by the report that ASEAN countries had disagreed with his initiative. [passage omitted]

The Government House source said apart from Indonesia, Brunei and Malaysia had sent messages congratulating the premier for being able to convince the three Khmer factions to attend the JIM II meeting.

Only Singapore asked whether Thailand had changed its policy, the source said. [passage omitted]

Sitthi Discusses Cambodia, Departs for PRC
BK0902074189 Bangkok Domestic Service in Thai 0530 GMT 9 Feb 89

[Text] Foreign Minister Air Chief Marshal Sitthi Sawetsila left for the PRC this morning. Before departure, told newsmen at Don Muang Airport that the current friendly attitude between the Soviet Union and China is a good omen for the general world situation. In particular, it will have favorable impact on a trend toward durable peace in Cambodia and economic stability in Southeast Asia. He said:

[Begin recording] [Sitthi] During Shevardnadze's meeting with Deng Xiaoping, Deng informed him of what China wanted. Therefore, I think Gorbachev will respond to that. If you read the joint communique of the Soviet and Chinese foreign ministers, you will know that there were some internal Cambodian aspects that remained outstanding, particularly the establishment of a provisional reconciliation government. The part that was outstanding is: The Hun Sen side wanted a national reconciliation council. But what China and ASEAN have always wanted is a quadripartite government in Cambodia. I do not know if this outstanding issue can be settled in the second Jakarta informal meeting [JIM 2].

[Unidentified reporter] What is China's view of Thailand's current initiative on the Cambodian problem?

[Sitthi] China's stance remains unchanged. It wanted both the internal and external aspects of the Cambodian problem to be solved simultaneously; they should not be solved in separate manner. China asserts that the external and internal aspects are connected, and I also feel the same way. A complete military withdrawal while the

internal aspect of the problem remains unsettled will lead to problems afterward, such as a continuation of fighting. This will mean that the Cambodian problem has not been solved. [end recording]

The foreign minister reiterated to reporters that Thailand's diplomatic policy on the Cambodian problem still follows the ASEAN resolution.

[Begin recording] [Sitthi] Sihanouk invited me to a breakfast during which I will encourage and inform him that we continue to support him and there is no problem.

[Reporter] Do you think your visit to China will benefit JIM 2?

[Sitthi] It will be beneficial because we will exchange views on various issues. I will relate what I have learned about the Chinese views to the ASEAN foreign ministers, particularly what the Chinese concerns and why. For this reason, we will have to thoroughly discuss JIM 2. [end recording]

Chatchai's Son Reviews Indochina Policy
BK0902010789 Bangkok THE NATION in English 9 Feb 89 p 8

[Report on an interview with Kraisak Chunhawan, son and "policy adviser-at-large" to Prime Minister Chatchai Chunhawan—date and place not given]

[Text] Will Vietnam accept Thailand's role as the centre of a "regional economic" system which includes the Indochinese states? Can Thailand achieve such a lofty goal?

Kraisak Chunhawan, son of Prime Minister Chatchai Chunhawan and his policy adviser-at-large, believes that such goals are within reach.

In a published interview, Kraisak said that even the governors of the Vietnamese and Laotian central banks have agreed in principle that the baht should be used as the primary currency in regional trade and that large Thai banks like Bangkok Bank and Thai Farmers bank should have a presence in the two countries.

In talks with Central Bank Governor Kampuchon Sathirakun at a seminar in Bangkok late last month, the Vietnamese and Laotian counterparts proposed that the two Thai banks' presence in their countries should take the form of joint ventures with the host governments, according to Kraisak.

"The agreement shows that a tacit understanding has emerged that the region (Indochina) will establish economic relations with Thailand. My significant footnote here is that the three-party Khmer coalition's representatives at the seminar live in the jungles or hang around in Bangkok and do not possess the quality that the Vietnamese and the Laotians have," Kraisak said. The Khmers represent a government in exile.

Kraisak held no punches back when he referred to those who have criticized the prime minister's initiatives on the Khmer situation. He said the initiative was aimed at encouraging all four rival Khmer factions to hold talks and tackle the obstacles impeding a national reconciliation.

"Let me ask the critics a question: Is it possible for us to impose something (on the pro-Vietnam People's Republic of Kampuchea)? Where can they (the PRK) go if we force them to merge with the resistance force and will the Khmer resistance which he [as published] used to back make it? Eventually, the resistance guerrillas will be herded along the border. But our policy should not be taken as a sign that we will recognize Hun Sen (the PRK premier, who visited Thailand late last month)," Kraisak said.

He added, "Anybody who thinks we suffered losses because of the game has the right to think so, but didn't we suffer when Prince Norodom Sihanouk quit as president of the Coalition Government of Democratic Kampuchea (CGDK) in protest against the Khmer Rouge and then he called on Hun Sen to accept the Khmer Rouge as a party to a provisional government?"

Does Sihanouk have an important role to play on the Kampuchean scene? Kraisak responded, "Sihanouk may have won a degree of faith from some Khmer people but don't forget that half of the population are peasants and the villagers in a part of Kampuchea that used to rise up against his rule. It is not definite that when he returns to Kampuchea, he will enjoy the same support Gandhi of India did in the past."

Kraisak voiced objections to the line of thought that Thailand should support Sihanouk as the top leader of Kampuchea after a political settlement.

"The situation has changed and the prince has been away from Kampuchea for 15 to 16 years now," he said.

Kraisak said that the question of the Khmer Rouge will not be resolved overnight, but that Thailand must try to expedite a solution to it. He did not spell out what steps would be taken, though the PM's [prime minister] advisers are known to be critics of the Khmer Rouge.

Without having held direct talks with Hun Sen, Kraisak contended, the three Khmer resistance leaders—Khieu Samphan of the Khmer Rouge, Son Sann of the Khmer People's National Liberation Front and Prince Norodom Ranariddh—would not have agreed to attend the upcoming informal negotiations in Jakarta, known as JIM II [Jakarta informal meeting], this month.

"Today, the Australian Embassy sent the PM's advisers a facsimile message congratulating us for the 'appropriate policy' and endorsing our efforts. There is no other better sign of Australia's approval than Prime Minister Bob Hawke's agreement to fund the construction of a bridge across the Mekong River to link Vientiane with Nong Khai," Kraisak said.

He continued by pointing out that there is a major difference between the Afghan mujahidin rebels and the Khmer resistance fights.

The Afghan fighters are influential in the country's rural areas and appear to be on the verge of overthrowing the Soviet-backed Kabul regime, following the withdrawal of Soviet troops from the war-torn country. But the Khmer resistance force is not as powerful as the mujahidin and its image is generally considered to be negative, he said.

But like the Soviet troops, the Vietnamese forces will definitely pull out, said Kraisak.

"And we are pretty confident on what the Kampuchean scenario will be after the Vietnamese military withdrawal," he added.

Kraisak said that Thailand needs to seize the momentum created by the ongoing normalization of Sino-Soviet and Sino-Vietnamese relations by playing an active role to facilitate a Kampuchean settlement. In his calculation, a political solution to the Kampuchean question is at hand.

Kaysone Phomvihan To Visit Mid-February
BK0902105389 Bangkok THE NATION in English
9 Feb 89 Afternoon Edition p 2

[Excerpt] Laotian Prime Minister Kaysone Phomvihan will visit Thailand during the Phra That Phanom celebration in Sakon Nakhon on February 17, Deputy Foreign Minister Praphat Limpapnan said this morning.

Kaysone accepted Prime Minister Chatchai Chunhavan's invitation to the celebration which was conveyed by Praphat during his visit to Laos. This was revealed by the deputy minister upon his arrival from Vientiane. [passage omitted]

Censure Sights Set on Five Cabinet Members
BK0902015789 Bangkok BANGKOK POST in English
9 Feb 89 pp 1, 3

[Excerpt] The opposition has set its censure sights on five Cabinet ministers, Ruam Thai MP Piyanat Watcharaphon said yesterday.

The five had been blacklisted for their lacklustre or corrupt behaviour in office, said the Si Sak Ket MP, who declined to identify them.

Opposition sources, however, said they are Communications Minister Montri Phongphanit, PM's Office Minister Chaloe Yubamrung, Agriculture Minister Sanan Khachonprasat, Foreign Minister Sitthi Sawetsila, and Science Minister Prachuap Chaiyasan.

Other contenders for the list are Deputy Prime Minister Phong Sarasin and Commerce Minister Subin Pinkhayan, the sources said.

Mr Montri earned his place by signing a contract to buy a telephone exchange centre from Toyamenka Co in defiance of Prime Minister Chatchai Chunhawan's orders, they said.

In addition, they said, the Communications Minister had awarded a railway buffet-car service contract to Prateep Sealand & Construction Co in an irregular manner.

PM's Office Minister Chaloe, who is in charge of the Mass Communication Organisation, made the list by awarding most TV Channel 9 advertising contracts to the Little Duck Group, they said.

Agriculture Minister Sanan was blacklisted for giving logging companies approval to reclaim timber from the flooded South as well as for compensation to the companies.

The sources said Foreign Minister Sitthi was under the gun for his failure in foreign affairs. The opposition said his policy was opposite to that of Prime Minister Chatchai and he should either be replaced or resign so the policy would go in the same direction.

ACM [Air Chief Marshal] Sitthi has also leaked news and opinions to the Press through ministry officials, they said.

Science Minister Prachuap earned a listing for sacking the executive board of the Thailand Institute of Science and Technological Research. The sources said he wanted to name representatives of the private sector to the board.

Deputy Prime Minister Phong is a possible candidate because of his responsibility for overseeing recompensation to companies which have won biddings but where construction costs have gone up. Sources said the Government will award such recompensation, called K value, to companies when construction materials go up in price. Most of this had been awarded to a certain company which has been stocking up on materials, said the sources.

Commerce Minister Subin Pinkhayan is a potential target for having been sent overseas to buy logs. The sources said this not the duty of a minister and buying logs should be left to merchants. [passage omitted]

Vietnam

Statement Issued on Shevardnadze PRC Visit
BK0802134489 Hong Kong AFP in English 1320 GMT 8 Feb 89

[Text] Hanoi, Feb 8 (AFP)—Vietnam on Wednesday [8 February] welcomed the recent visit to China by Soviet Foreign Minister Eduard Shevardnadze as promoting the upcoming meeting of the Cambodian factions in Indonesia.

A Vietnamese Foreign Ministry statement said meetings between Mr. Shevardnadze and his Chinese counterpart Qian Qichen had helped in the promotion of a rapid and fair resolution to the Cambodian problem.

"The Cambodian problem will continue to be settled by the countries of the region and the different Khmer factions" at the second round of informal talks to be held in Jakarta on February 19-21, the statement said.

The February meeting will bring together representatives of Vietnam, the pro-Hanoi Phnom Penh government, the three Cambodian resistance groups, non-communist Southeast Asia, and Hanoi-allied Laos.

The first round of talks were held last July in Bogor, near Jakarta, without achieving any substantive results.

Mr. Shevardnadze's February 1-4 trip to China also marked a milestone in the process of Sino-Soviet normalisation in preparation for a Beijing-Moscow summit, the statement said.

"Vietnam welcomes the fact that the Soviet Union and China have ended a period of abnormal relations and begun to reach for normalised relations," it said.

It added that "normalisation of Sino-Soviet relations should be a great contribution to the task of peace, particularly in the entire Asia-Pacific region."

Relations between Beijing and Moscow grew worse after Soviet-backed Vietnamese troops invaded Cambodia in 1978 and toppled the pro-Chinese Khmer Rouge government.

In January, Vietnamese Vice-Minister of Foreign Affairs Dinh Nho Liem became the highest-ranking Hanoi diplomat to visit Beijing since a brief Sino-Vietnamese border war in February 1979.

Envoys Briefed on Results

BK0802141889 Hanoi Domestic Service in Vietnamese 1100 GMT 8 Feb 89

[Text] According to TASS, in Moscow on 7 February Soviet Deputy Foreign Minister Rogachev received the heads of socialist countries diplomatic missions to the USSR.

At the reception, Comrade Rogachev briefed his guests on the results of Soviet Foreign Minister Shevardnadze's talks in Pakistan, the situation in Afghanistan and the complete withdrawal of Soviet troops from that country, and progress already made by the Soviet Union in achieving a political solution to the Afghanistan issue.

The reception participants expressed their satisfaction with the outcome of Foreign Minister Shevardnadze's visit to China and voiced their support for the Soviet policy aimed at achieving complete normalization of relations with the PRC.

TASS Cited on Afghanistan Troop Pullout

*BK0902034489 Hanoi Domestic Service in Vietnamese
2300 GMT 8 Feb 89*

[Text] According to TASS, to date more than 30,000 Soviet Army volunteers have been withdrawn from Afghanistan in accordance with the plan for the second-phase withdrawal of Soviet troops. Thus, at present, only a limited number of Soviet army volunteers are still stationed in five provinces—Balkh, Samangan, (Pakwan), Baghlan, and Herat. These remaining forces will be completely pulled out of the said localities by 15 February.

Meanwhile, the BAKHTAR News Agency has reported that, on 6 February, stubborn Afghan counterrevolutionaries poured heavy-weapons fire into a number of densely populated areas in (Qandahar) Province and Khowsk City. To punish them for their criminal acts, Afghan armed forces in those localities launched a series of mopping-up operations, killing 25 enemies, wounding scores of others, and making a big haul of arms and ammunition.

Najibullah Address Noted

*BK0802133189 Hanoi Domestic Service in Vietnamese
2300 GMT 6 Feb 89*

[Text] According to foreign sources, on 5 February in Kabul, the capital of Afghanistan, tens of thousands of workers and civil servants, large numbers of people and members of the People's Democratic Party of Afghanistan (PDPA), and representatives of all democratic organizations throughout the country held a mass rally and marched through the major streets of the capital to demonstrate their resolve to defend the fatherland against all enemies inside and outside the country.

Speaking at the rally, President Najibullah, who is also general secretary of the PDPA, stated that the PDPA will not abandon the objectives of its national reconciliation policy and will enter into negotiations with all peace-loving social forces in the country. He expressed his firm belief that all the extremist forces will meet with failure.

Greetings Received From Kampuchean Party

*BK0802153389 Hanoi VNA in English 1523 GMT
8 Feb 89*

[Text] Hanoi VNA Feb 8—The Central Committee of the Communist Party of Vietnam has received a message of greetings from the Central Committee of the People's Revolutionary Party of Kampuchea on the 59th anniversary of the CPV (February 3).

The message reads:

"With renovation in the socio-economic field, the Vietnamese people's material and moral life is constantly improved. On the international arena, the Vietnamese revolution has made considerable contributions to defending peace and security in the Indochinese countries as well as in Southeast Asia and the world as a whole."

It expressed the Kampuchean people's profound thanks to the Vietnamese party and people for their timely and precious support to the Kampuchean revolution and wished the solidarity and all-round cooperation between the two countries further consolidation and development.

LPRP Sends Greetings on CPV Anniversary

*BK0802154789 Hanoi VNA in English 1526 GMT
8 Feb 89*

[Text] Hanoi VNA Feb. 8—The Central Committee of the Lao People's Revolutionary Party (LPRP) has warmly greeted the 59th founding anniversary of the Communist Party of Vietnam (CPV).

In its message to the CPV Central Committee, the LPRP Central Committee highly praised the great achievements recorded by the Vietnamese people over the past 59 years since the founding of the CPV which, it said, are of great significance to Vietnam's history and have greatly contributed to the common struggle of nations for the noble cause of the time.

"We note with great pride," the message said, "that over the past decades our two parties, born from the same root, namely the Indochinese Communist Party founded by President Ho Chi Minh, have been bound together by the close solidarity and wholehearted mutual assistance on the basis of Marxism-Leninism and proletarian internationalism. We always regard the special relationship and all-sided cooperation between our two parties and countries as the law of development of each country's revolution."

"We highly appreciate the Vietnamese party and state's foreign policy, particularly their just stance and constructive attitude in the settlement of the Kampuchea issue and the question of peace and stability in Southeast Asia as well as Vietnam's important contributions to strengthening the socialist community, the international communist and workers' movement and social progress in the world."

The message wished the Vietnamese people still greater successes in implementing the resolution of the CPV's sixth congress and wished the friendship, the special solidarity and all-round cooperation between the parties and peoples of Laos and Vietnam constant development.

Le Duc Anh, Army Leaders Pay Tet Visits

*BK0902045089 Hanoi Domestic Service in Vietnamese
1400 GMT 8 Feb 89*

[Text] On the occasion of the Tet of the Year of the Snake, Comrade Le Duc Anh, member of the Communist Party of Vietnam (CPV) Central Committee Political Bureau and

minister of national defense, visited and presented Tet greetings to cadres and combatants of the Politico-Military Institute and the Military Technical Institute.

On the same occasion, Senior Lieutenant General Doan Khue, member of the CPV Central Committee Political Bureau, vice minister of national defense, and chief of the General Staff, visited and presented Tet greetings to a number of units of the 1st Military Region, I Corps, and the Artillery Corps.

On his part, Senior Lt Gen Nguyen Quyet, secretary of the CPV Central Committee and director of the General Political Department, visited and presented Tet greetings to Group 565, an Army unit participating in the construction of the Hoa Binh Hydroelectric Power Plant on the Da River.

At these units, after being briefed on the teaching, study, training, combat readiness, production, and the overall situation of soldiers, the leaders of the Defense Ministry solicitously inquired about the living conditions of cadres, combatants, and their families and presented Tet greetings to their units.

The Defense Ministry has also instructed various military regions, Army corps, armed branches, and services to present Tet greetings to grass roots units in the entire Army and to the Vietnamese Army volunteer units still stationed in Cambodia.

Commission on Energy Cooperation With USSR
BK0802134589 Hanoi International Service in English
1000 GMT 8 Feb 89

[Text] The Vietnam-USSR intergovernmental commission for economic, scientific and technical cooperation has discussed a plan for further cooperation with Vietnam in the field of energy.

Last year, with Soviet assistance, Vietnam put to use many important power projects, namely the Pha Lai thermopower plant, north of Hanoi; two generator units at the Tri An hydropower plant in south Vietnam; and the first turbine of the Hoa Binh hydropower plant, northwest of Hanoi.

The two sides resolved to put into commission the second turbine of the Hoa Binh hydropower plant by the end of this year and the third and fourth generator units of the Tri An hydropower plant according to schedule.

WPF Provides Funds for Malnutrition Project
BK0902084289 Hanoi VNA in English 0717 GMT
9 Feb 89

[Text] Hanoi VNA 9 February (OANA-ECOVNA)—The World Food Programme (WFP) is financing a project against malnutrition among Vietnamese children. The project codenamed 2651 covers the period from 1984 to 1989.

It aims to reduce malnutrition among children at creche age (under 36 months) and hospitalised children under fifteen. It includes the supply of supplementary food to those who work on the household and collective VAC (garden-fish pond-pig sty) ecosystem and also extends assistance to primary health care and nutrition education and survey.

The recipients include 117,000 under three-year-olds, 1,008,000 expectant mothers, and 16,200 hospitalized children. Total cost is set at 24 million U.S. dollars for the purchase of wheat flour, powdered milk, vegetable oil, sugar, and other nutrients.

Papua New Guinea

Government Opens Inquiry Into Troop Riots

BK0902061589 Melbourne Overseas Service in English
0500 GMT 9 Feb 89

[Text] The Papua New Guinea Government has begun inquiring into the administration of the Defense Force following yesterday's riots by troops in Port Moresby. Up to 1,000 soldiers demanding pay increases smashed cars, uprooted trees, attacked journalists and other civilians, and damaged the country's Parliament House. They disobeyed orders to return to barracks and demonstrated in support of demands for pay rises.

Radio Australia's Port Moresby correspondent Sean Dorney says the government had laid much of the blame on the country's defense administration.

The Defense Force commander, Brigadier General (Lokitva), and the Defense Department secretary, Mr (Mulkar), have both appeared before a meeting of cabinet to explain the reason for the rebellion.

The deputy prime minister, Mr Akoka Doi, has blamed the trouble on the Defense Department's failure to implement a government decision taken last October to give pay increases to the soldiers.

Mr Doi said that decision limited increases in officers' salaries to 25 percent, but granted a full pay increase with back pay to ranks below officers.

Industrial Unrest Seen Hurting Investment

BK0902093489 Hong Kong AFP in English 0908 GMT
9 Feb 89

[Text] Port Moresby, Feb 9 (AFP)—Leading bankers in Papua New Guinea warned Thursday that industrial strife was seriously hurting prospects for foreign investment to exploit the country's mineral riches.

Makere Morauta, managing director of Papua New Guinea Banking Corp., quoted a report by insurance firm Lloyd's of London as saying that even the most attractive investments fell into a "special risk" category.

"On a scale of risk ranging from the safest places to invest, like Japan or West Germany, to the riskiest places, like Lebanon or Ethiopia, Papua New Guinea is now closer to the bottom than the top," Mr Morauta said.

Papua New Guinea's Ok Tedi gold and copper mine has been hit by strikes and riots by employees upset over housing conditions. A separate mine on the island of Bougainville has been plagued by sabotage, believed to be the work of landowners seeking compensation for property use.

Sir Rupert Clarke, chairman of Bank of South Pacific Ltd., a subsidiary of National Australia Bank Ltd., said that unrest had cut production at the mines, among the world's largest and a major source of export earnings.

He said Papua New Guinea was blessed with large mineral reserves but it is "worrying that the country might lose the competitive advantage it presently enjoys unless the situation is remedied."

Law and order has become a crucial issue for the Port Moresby government, which on Wednesday faced the wrath of hundreds of soldiers who stormed through the capital demanding more pay.

The Lloyds assessment cited by Mr Morauta quoted international investment insurance director Diedre Green as saying that most of Papua New Guinea's available risk insurance capacity had already been used.

She said investors were reluctant to put their money into two new mining projects in the works at Porgera and the Lihir islands.

"Some of the market will not even consider the risk. Others require much higher premiums to be paid," the Lloyd's analyst said.

"Even if the developer is prepared to pay any price in higher premiums, this does not mean cover will be available."

Mr Morauta said it would be increasingly difficult to raise the estimated four billion kina (4.9 billion dollars) overseas in the next decade to fund the projected mineral boom.

"We will have only ourselves to blame if our golden future turns to dust," he said.

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